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THE
FIRE INSURANCE AGENTS'
TEXT BOOK,
AN
ANNOTATED DICTIONARY
OF THE
TERMS AND TECHNICAL PHRASES IN USE AMONG
FIRE UNDERWRITERS.

TO WHICH IS APPENDED A

POLICY FORM BOOK,
WITH BRIEF HINTS ON POLICY WRITING.

THE WHOLE SUPPLEMENTED BY VALUABLE
(SHORT RATE AND PRO-RATA
Cancellation and Time Tables.

By J. GRISWOLD,

AUTHOR OF "*The Fire Underwriters' Text Book;*"
"*Hand Book of Adjustment of Fire Losses;*"
"*Classification of Fire Hazards and Losses;*"
"*Fire Underwriters' Cyclopaedia.*"

Montreal:

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1888.

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1888, by R. WILSON SMITH, at the Department of Agriculture.

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By J. GRISWOLD.

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INTRODUCTION.

THE intention of this volume is to fill, so far as it may, "a long-felt want" among many of the junior members of the Guild especially, by furnishing a VADE MECUM, or "TEXT BOOK, *for daily reference,*" in matters more or less intimately connected with office routine, in the form of an

ANNOTATED DICTIONARY

embracing the various terms, phrases, usages, and forms in use among fire underwriters, with their several technical meanings, legal construction and general application to the business. Including, also, a collection of suggestive, practical skeletons, or models, upon which to formulate policies to cover any of the hazards usually written upon by fire underwriters, preceded by a few brief suggestions upon Policy Writing. The whole being interchangeably connected by means of cross reference numbers, whereby any phrase or expression usually used in fire insurance practice can be readily comprehended by the Tyro.

To this is appended a series of very valuable Tables for *Pro-Rata* and *Short Rate* cancellations of policies, and for computing *time*, unexpired or expired, for any number of months or days, together with a Table of PRO-RATA CONSTANT MULTIPLIERS by the use of which the valuation of unexpired policies for the customary Annual Statements of companies can be ascertained with great facility. The whole forming a handy manual for the office, the agent—general or local—and very suggestive to the fire-loss Adjuster as well.

With this brief introduction the book is submitted to the kindly consideration and judgment of the fire-underwriting fraternity by

THE AUTHOR.

Montreal, April, 1888.

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TO THE READER.

THE several subjects,—numbering some seven hundred and fifty in all—are, so far as practicable, arranged in alphabetical order, with a distinctive number attached to each section, by which cross references are made to other cognate subjects as denoted by the figures wherever found; the POLICY FORMS portion being distinguished by its own sequence of numbers, supplemented by the word "*Form*"—to prevent confusion.

In seeking for any subject, look for the prominent word of the term, if of more than one, in the VOCABULARY; if not found there examine the INDEX to the Policy Forms, which contains many subjects not appearing in the Vocabulary itself, such as mills and factories, the policy forms of which contain the more prominent points to be noted in connection with them. So, also, with the endorsements and permits accompanying the forms, by which the policy as originally written is modified or changed, the several subjects of which will appear under appropriate names

in the Policy Form Index, with cross references to cognate subjects in the Vocabulary.

By this means more copious information is given, without frequent repetition and unnecessary expansion of the book, which, from the Author's experience in the business of over thirty years, he feels assured will be a material aid to all fire underwriters of the present day.

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VOCABULARY.

1. Abandonment:—An act at the option of the insured, whereby, in the event of loss, he relinquishes and transfers any salvage or remnants of the property at risk, or the proceeds thereof, to the underwriters and claims of them as for a total loss. As a custom or usage, abandonment of damaged property is not recognized under the fire insurance policy, for there can be no compulsory abandonment of salvage where the right of reinstatement exists, as under the provisions of the fire insurance contract; so that any salvage remains the property of the insured, the underwriter getting credit therefor in the adjustment of the loss claim to the amount of its appraised value. (513).

2. Abatement:—A reduction made by a claimant or creditor for prompt payment of his claim.

3. Abattoir:—A large slaughter house where neat-cattle and other live-stock are killed and dressed for their several owners.

The insurance hazards attending this class of risks are: The class of buildings and exposures—cattle pens, sheds; proximity thereto of railroad tracks; steam-boilers and machinery; fat and other grease rendering, by steam or furnace kettles; and the danger arising from the various processes creating a nuisance in more densely settled

neighborhoods. If artificial ice be manufactured upon the premises the hazard is thereby increased. (308). The moral hazard attending the risk is also an important factor in estimating the hazard. (419).

4. Abbreviations:—Abbreviations should never be permitted in an insurance contract; every word should be written out in full so as to leave no doubt or room for misconstruction as to the intent of the policy. All doubtful meanings are construed against the company. (41).

5. Accident:—An event, the occurrence of which is unexpected and uncommon; the happening of which is without the concurrence of the will of the person by whose agency it may be caused; without human agency. The foundation of all claims against underwriters is accident; those events which no human providence could foresee. But accident is not that which happens through the defects or perishable nature of the subject at risk (551); or through the act or fault of the owner of any property. (9).

6. Accident Insurance:—As the name indicates, is a contract of indemnity for injuries to the person, arising from purely accidental causes only, and of which the body, as a rule, shall present some visible sign. Under the clauses of the policy the proximate cause of death or injury must be the result of external, violent, accidental causes, without contributive negligence or voluntary exposure to unnecessary danger or peril by the insured. This class of indemnity is also applied to accidents to horses, vehicles, plateglass (472), steam-boilers, and other subjects liable to injury or destruction by accidental causes.

7. Accord and Satisfaction:—An agreement upon the settlement of a claim which signifies that in place of payment of the whole of the money claimed to be owing,

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a certain sum named shall be, and *is at the time*, paid and accepted in full discharge of the debt. It is used in the final settlement of contested loss claims in fire insurance.

8. Account Current:—An open running account between the company and its agent, shewing all monies received or due for premiums at the agency on the one side, and all payments made on account of the company on the other, accompanied by vouchers, together with the agent's commissions upon the net amount of premiums for the month. In insurance practice such a statement is rendered every month, with vouchers and remittances to balance the account.

9. Act of God:—An accident arising from a cause which operates without interference or aid from man, and is at the risk of the insured. (5).

10. Actual Damage:—The *immediate* damage to property at risk, caused by the peril insured against, as opposed to consequential or constructive damage. (149; 174; 385).

11. Actuary:—Usually a person skilled in the doctrine of life annuities and life insurances, who is called upon for opinions in cases of annuities, reversions, etc. The term is seldom applied to fire insurance officials.

12. Additional Insurance:—Voids the policy unless consented to at the time by the company or duly authorized agent; such consent is usually required to be indorsed upon the policy. The same as "Other insurance." (192; 449). (*Forms 82-84*).

13. Additional Risk:—Something added to the hazard after the issuing of the policy. Without the consent of the insurers such additions to the risk void the policy. (316).

14. Ad Interim Receipt:—A binding receipt for money paid as premium upon an insurance, provisionally agreed upon with an Agent not authorized to issue policies, but subject to the approval of the company; such approval or objection, to be notified to the insured within a certain number of days stated in the receipt. It is a valid insurance for the number of days named, unless sooner revoked by the company and the unearned portion of the premium returned. If no response is made by the company, the insurance expires with the days named. These receipts are printed and furnished among the agency supplies by the company. The particulars of each risk should be noted upon the stub or counterfoil; and all defaced or cancelled receipts should be pasted to their respective stubs for preservation as the agent is held responsible for each receipt as for policies sent to him. This receipt is also known as a "covering note," "deposit receipt," and "provisional receipt."

15. Adjoining:—This word is frequently made use of in policy writing in describing the location of property under insurance. Its strict, legal meaning is, joining to; attached. It differs from "adjacent" in that while two or three buildings may be said to be adjacent to the first, only the second could be said to be adjoining.

16. Adjusted at:—A phrase used in the marine branch to denote the final adjustment of a loss, and the contributions thereto of the several underwriters; as "adjusted at 100 per cent.," or any other amount agreed upon; the loss is then ready to be settled or "struck off." The phrase is seldom used in fire loss adjustments; but when so used, unless further qualified, it has the same force and effect as in the marine branch, and changes the liability of

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the company into a new and independent agreement superseding the original contract, and upon which suit can be brought at any time, regardless of the limitation clause of the policy. The phrase as used in fire loss adjustment is usually : "Loss adjusted at \$....., subject, however, to all of the terms and conditions of the policy," which means that the company will pay the loss as fixed by the adjustment, if under the terms and conditions of the policy the claimant is found to be entitled to payment.

17. Adjuster of Fire Losses:—One who prepares fire loss claims for final settlement on the part of the company; he is also called "Assessor of fire losses." In the marine branch he is called an "Average Stater" or "Average Adjuster." (24).

18. Adjustment of Fire Losses:—The act of settling liabilities of companies for fire loss claims.

19. Administrator: Administratrix:—A person authorized to manage and distribute the estate of an intestate; or a testator who has no executor. He thus acquires a property in the assets of the intestate as an incident to his trusteeship, his liability being measured by the amount of assets coming into his possession; such pecuniary liability gives him an insurable interest in such property to its full value. (328).

20. Adventure:—A designation much used in former times to represent maritime speculations in sending goods to foreign countries under charge of a supercargo or other agent, to be disposed of to the best advantage for the adventurers. It also denotes the property so sent out.

21. Agency:—A relation between two or more persons by which one party, usually called the agent or attor-

ney, is authorized to do or perform certain acts for, or in relation to, the rights or property of another, who is denominated the principal, constituent, or employer. (488).

22. Agent:—At common law, any person having power to do a thing in his own right may do it by an agent; hence an agent is one duly authorized by another party—the principal—to act for him in dealing with third parties. Such acts, when legally done, are the acts of the principal, and for which he is liable; for “he who confers authority upon an agent should bear the consequences of any fraud committed by him under cover of such appointment, rather than an innocent party who deals with him relying upon it.”

23. A General Agent is one who acts for his principal in the management of any general business; his authority as such agent is commensurate with the duties of his position. An agent entrusted with the blanks of an insurance company, and duly authorized to countersign and issue policies for such company, is a “General Agent” in law. Absolute and unlimited discretion, with the possession of blank forms of policies and renewal receipts, signed by the officers of the Company, is evidence of such general agency.

24. An Agent simply authorized to countersign and issue policies is not, merely by virtue of such appointment, authorized to adjust and pay losses under policies issued by himself.

25. Agents are bound to know the law and act for the benefit of their principals. They are bound to execute orders of their principals whenever, for a valuable consideration, they have undertaken to perform them;

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and their liability to their principals if they deviate is, as in cases of negligence and misconduct, measured and limited only by the extent of the damage sustained by their principals. It matters not in what trifling details specific instructions are neglected or disobeyed, whether writing at less than authorized rates, or on forbidden risks, failing to cancel policies when so directed, or in any other respect failing to comply with the requirements of their principals, through ignorance of the law, or by design, the same degree of responsibility rests upon the agent. He is also required to exercise the same degree of care, fidelity and skill in the business intrusted to him, which men capable of transacting such business would bestow upon it. He must also keep his principal advised of his doings under his appointment, and give reasonable notice of whatever, within his knowledge, may be important for his principal to know. But withal, the agent is not responsible for honest errors of judgment when faithfully carrying out the instructions of his principal.

26. An Agent is also responsible to *third parties*. An insured owner can recover from an insurance agent whatever would have been recoverable from the company had there been no negligence or carelessness on the part of the agent. Nor can an agent defend, on account of his agency, the result of carrying out the illegal orders of his principal. He is also liable for deceitful or false statements on his principal's behalf, whereby third parties are defrauded. Notice of material facts to any agent is notice to his company.

27. An Agent, duly appointed, cannot authorize other parties to countersign policies in his stead, by power of attorney or otherwise.

28. Clerks of an Insurance Agent :—In New-York it has been decided that while they cannot countersign policies, clerks may be authorized to contract for risks, deliver policies, collect premiums, and take payment in cash or securities, and give credit for premiums, or demand cash ; the act of the clerk in all such cases is the act of the agent, and binds the company as effectually as if done by the agent in person. But it is also held, that clerks of agents cannot waive any of the conditions of the policy, nor cancel existing insurances ; but they may deliver notices of cancellation and make tender of the return premium for such cancellations.

29. Good-will of an Agency :—The sale of the good-will of a business is nothing more than transferring, for a consideration, the chance of the purchaser being able to retain and secure what has been already established by the vendor,—a mere chance, which vests in the purchaser nothing but the possibility that the preference heretofore extended to such vendor will be extended to the purchaser. So, while an agent may not sell or dispose of the books, the personal property of the company, he may dispose of the good-will of the business to any person desirous of purchasing it, without the consent of his companies ; but he cannot transfer the agency of his companies without their consent.

30. In Cases of Loss the agent should look after the interest of his company without binding it to any course of action, until the arrival of an adjuster or advices from the head office. He should at once notify the company, by telegram if the loss be serious, to be followed by letters giving full particulars. He should look after the preservation of the damaged property, and see that it

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sustains no further avoidable damage. It is the duty of the insured to take all proper care of the property. In dubious or suspicious cases, it will be well for the agent to stand aloof, though watchful.

31. Agio:—An Italian word signifying “convenience,” used to denote foreign exchange, or the difference between metal and paper money, or between the metallic money of different countries, in making adjustment in foreign states.

32. Agreement for Insurance:—A definite verbal agreement to insure, based upon a sufficient consideration, and made by one having an insurable interest in the subject at risk, with an agent having requisite authority to bind his principal by such a contract, will be legal and binding upon the Insurance company, in the absence of any law to the contrary, as in some of the United States, where all contracts must by law, be evidenced by writing.

Such an agreement must embrace all the requisites of an ordinary insurance (534), such as an insurable interest; amount to be covered; the subject at risk; the peril insured against; rate of premium; dates of commencement and termination of the risk, unless, as in warehouse insurances on short terms, the time is left “open” or “undeclared” (635), and in cases where the agent may represent several companies, the name of the office in which the risk is to be placed. An omission of any of these points will render the agreement nugatory. All prior agreements not noted in the policy when written are held to have been waived; for it is a legal axiom that a contract cannot exist partly in writing and partly in parol. The payment of the premium may be made at the time of entering into the agreement, or upon the delivery of the

policy. To prevent all subsequent dispute, the policy should be issued without unnecessary delay, or an "Interim receipt" be given at the time. (14; 458).

33. Agricultural Implements:—All tools and implements used in agricultural pursuits will be included in the expression "agricultural or farm implements," whether simply tools operated by hand, or machines operated by some motive power. It is customary, however, to write upon this class of property in specific sums upon the larger implements, as threshing machines, reapers and mowers, and the like. (584. *Form. 9*).

34. Agricultural Implements, Stocks of, held for sale need close looking after when offered for insurance, as improvements are constantly being made in their construction and application, the older styles becoming unsaleable; hence an opportunity to make a sale to the underwriter would frequently be a God-send to the owners.

35. Agricultural Implement Factory:—A conglomerate risk, where various kinds of farm machinery are manufactured, combining in one locality, and usually subject to the same risk of burning, some of the more dangerous features of the several hazards of hard and soft wood-working, machine shops, sometimes with foundries attached, and paint shops where the cheaper materials are used in mixing, with more or less of the dangerous "patent filler," thinned for use by naphtha or benzine (427). They should only be written upon after due inspection, or upon a full survey and application. (47).

36. Agricultural or Farm risks:—So designated to distinguish country from town or city risks—such

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37. Farm produce is a general expression, including every thing raised from the earth by the farmer; it will also cover straw and corn-stalks (fodder value) after the grain has been removed from them; but a policy covering "hay and grain" would not include straw or other refuse of the grain.

38. Aleatory:—Partaking of chance from the Latin, *Alea*,—dice. Hence the insurance contract is said to be an "aleatory" one, since the consideration paid is not the price of the thing which the insurer gives, but of a risk that he agrees to assume.

39. Alienation:—In insurance is a parting with the possession and ownership of property by acts which absolutely divest the insured of all title thereto, or interest therein. Any transfer of property short of conveyance of title is not alienation under the usual policy conditions.

40. Alterations of the Policy:—An alteration upon a policy is an act by which its language and meaning are changed. When legitimately made it is usually effected by means of indorsements thereon, and if made with the consent of the insured will be valid; if made without the consent of the insured, the policy will not be affected thereby. If made by the insured without the consent of the insurer, it will be of no effect. If made by a stranger to the contract, it is called a "*spoliation*" (606), and will not affect the instrument if the original words can be restored with certainty. (512).

40a. Alteration of Risk:—The right to repair and alter buildings is incident to ownership; and where the

risk is not materially increased thereby, and *the policy is silent* upon the subject, it is usually held that the insured may incur additional risk of alterations and repairs,—*incidental to the use of the property*—without prejudice to his insurance ; provided only that a loss by fire occasioned by such alteration or repairs can be distinguished from one happening independently of it. (316. *Form 32*).

41. Ambiguity in the Policy :—Any indistinctness or uncertainty of expression in the written words of an insurance policy will be construed adversely to the underwriter, as they are the immediate language and terms selected by himself for the expression of his meaning and, hence, necessarily inserted from design. So when a company has expressed itself in terms requiring interpretation and construction, it cannot complain if any doubt as to the meaning is resolved in favor of the insured.

42. Amount at Risk :—This phrase denotes the total value of the property covered by an insurance, whether up to its full value or only for a portion thereof, thus : an insurance of \$5,000, upon a value of \$10,000, does not attach to any specific \$5,000 of such value, but spreads, *ad libitum*,—of the insured—over the full \$10,000 value at risk, and is liable for loss to the full amount of the policy, or any portion thereof.

Where the insurance is equal to the value of the property at risk, the insured is said to be “covered by the policy.” If, on the other hand, the value of the property exceed the insurance, such excess is said to be “uncovered by the policy.” And the insured becomes to that extent his own insurer, or co-insurer, as the case may be. If his insurance is not subject to average (79), he is self-insurer to the amount of such excess ; or if subject to average, he becomes

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co-insurer to that extent, and as such bears his proportion of any loss, and reaps the benefit of any salvage to the same extent. (137).

43. Amount of Insurance to Value at Risk :

—It has now become an axiom in fire underwriting practice that “the smaller the relative amount of insurance to value of property covered, the greater the risk of loss to the insurer ;” more especially when such loss may be partial only as to value, but total as to insurance thereon. Hence, when property is covered to an extent of one-third or one-half only of its value, at the same rate of premium that would have been charged for a three-fourth's valuation or more, the underwriter does not get a rate adequate to the increased risk of a total loss where all chances of salvage have been lost by this minimum line of insurance upon a maximum value of property at risk. While, on the other hand, the larger the relative amount of insurance to the maximum value of property at risk, the smaller the percentage of loss will be to the underwriter, for the obvious reason that the majority of fire losses being partial only as to value, the larger the lines of co-insurance the less the proportions of loss to each (518). It is just here that the equity of the co-insurance clause (137) is demonstrated.

Under its stipulations the entire property is covered by insurance, either by underwriters or the owners as co-insurers. In the contingency of loss, the insurers pay pro-rata only as the amount of their several insurances bears to the value of the property at risk, be the same more or less, the owners bearing their pro-rata proportions to the extent of the excess of value over the actual insurance.

44. Annuity :—A yearly sum stipulated to be paid to another, either in fee, or for life, or years, and charge-

able only on the person or grantor, and, like a judgment, is presumed to be satisfied after twenty years if nothing has been done under it.

45. Apparatus:—A comprehensive term meaning "preparation," and embracing things provided, as furniture, tools, equipages; a complete set of implements for performing any operation or experiment.

46. Appliance:—An aid, or means; something suitable or applicable for the purpose of the occasion, as the mechanical powers, or the machinery by the aid of which the desired end is obtained.

47. Application:—A preliminary declaration made by the applicant for insurance, usually consisting of oral or written answers to inquiries, verbal or written, intended to cover all material facts or circumstances connected with the risk, which the insurer should know, subject to the principle applicable to all contracts, that fraud by either party will exonerate the other from his obligation if he so elect. These *applications* are usually made upon a printed form, also called a "Survey," sometimes accompanied by a "diagram" (189) of the property, and purport to be a true plan and faithful description of the existing condition, as to exposures, occupancy, value, ownership or other *material* matter (409) connected with the subject of insurance, whether chattel or real property, by which the underwriter is enabled to judge of the nature and hazard of the risk, and fix thereon an appropriate rate of premium; and as such representation (573) the application is made the basis of the insurance contract, subject to the acceptance of the company before the contract is complete. If accepted, it is usually made a warranty

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and a part of the policy (616); and should bear the same or prior date, *but not later*, and the same number. It thus becomes a warranty, which a mere reference to it in the policy would not make it.

Any questions *unanswered* in an accepted application are held to have been waived.

An application is the act of the applicant, and should be signed by himself; it *should never be signed by the agent for him, under any circumstances*, for insureds, in such cases, frequently deny having signed or made any application when before the courts.

49. Apportionments of Loss :—The act of determining and assessing the several proportions of *insurances* in which each policy covering upon all or any portion of property on which loss is claimed must, under its own terms and conditions, contribute toward the payment of such loss, whether such policy cover by specific, general or floating forms, either concurrently or non-concurrently with co-insurers.

50. Appraisements :—The act of valuing property by persons selected or appointed for that purpose, under the direction of law or by agreement of the parties in interest. Such appraisal of salvage after a fire is called for by the conditions of the policy.

51. Appraisers :—Persons mutually appointed by the company and the insured, as valuers, to rate, or set a value upon certain property, real or personal, submitted to them for an opinion.

52. Appreciation in Values :—It frequently occurs that property covered by insurance may be worth either more or less at the time of a fire loss than at the

time of purchase. In either case the respective parties interested should receive the benefit of the enhanced value, or bear the decrease.

53. Merchandise, with scarcely an exception, commences to deteriorate in value from exposure alone, from the time it is put upon the market for sale; the ratio of decrease depending upon the nature and quality of the stock, extent of exposure, etc. Staple goods in jobbing houses, being largely in original packages, suffer less than open stocks. (184) *Retail stocks*, dry goods, fancy-goods, and millinery, suffer heavily from exposure and handling; while goods remaining any time in *show-windows*, exposed to heat and smoke of burning gas-jets, soon become ruined. In taking insurances upon this class of business these points should be borne in mind. (548).

54. Appurtenances:—This word refers to things belonging to another thing as principal, which will pass with and as incident to the principal thing. It is too indefinite for use in policy writing except when qualified by some appropriate term.

55. Arbitration:—The voluntary submission of matters of dispute to disinterested parties, mutually selected, for settlement. Arbitration cannot, however, oust the jurisdiction of the courts, if the claimant object.

56. Arbitrators:—Like appraisers, are persons mutually selected to arrange differences in business matters between the parties in interest, either as preparatory to a final settlement or, as in cases of disputed insurance claims, fixing the amount of damage sustained, as required by the stipulations of the policy preliminary to a suit at law. (82).

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57. Archways:—Openings in division or party-walls, between two buildings. Such openings should be secured by double fire-proof doors, one on each side (246). Insurances upon the contents of either one of the stores will not cover in the other, unless so stated in the policy. Such policies may be written in specific sums in each, or generally in both if made subject to the co-insurance clause. (137).

58. Area:—The space of ground covered by a building. An important factor in the fixing of insurance rates; the greater the extent of area the greater the fire hazard. "Altitude out-burns area in a high degree."

59. Arson:—The voluntary, malicious burning of a *dwelling house*, or out-houses within the curtilage of another person, and punishable as a felony; while *incendiarism* is the act of wilfully or maliciously setting fire to *buildings*, or other combustible property, short of felony.

60. Article:—A particular commodity or substance. When used and standing alone in an insurance policy, it becomes objectionable from want of definiteness. If qualified, however, by some relative term, as "articles of trade;" "such other articles as are usually kept for sale," etc., the objection is remedied.

61. Artificial Flowers:—The fire hazard attending the manufacture of artificial flowers,—outside of the machinery in use and usually heavy supplies of light paper,—will be found in the large accumulations of clippings of cambric, paper, etc., laying about the rooms; and the manner in which the sizing, starching, gumming and waxing is done, and where and how these very necessary adjuncts are prepared. Stocks of artificial flowers are

subject to depreciation from exposure, handling, and from liability to damage by fire and smoke. They should pay full rates of premium.

62. Artificial Hair:—See "Hair Working." (287).

63. Asbestos:—A fibrous and, in its natural state, incombustible mineral substance capable of being manufactured into textile fabrics, ropes, paint, and sheathing paper; quite unflammable and incombustible when unmixed with combustible substances; and capable of retarding, if not entirely preventing, the spread of fire. It is also known as earth-clay and salamander wool.

64. Ashes:—Wood-ashes have caused many fires; they should never be put into wooden receptacles, unless it be the leach-tub. They retain fire for a long time, and should be removed to a safe distance from buildings, fences, etc. Their habitual presence about the premises renders the buildings undesirable as insurance risks.

65. As Interest may appear:—This phrase usually follows the words "Loss payable to—," and indicates uncertainty as to the quality as well as extent of the interest referred to, and leaves the whole question of title of the payee open for explanation by outside evidence; and this always, when there is any dispute, at the expense of the company. (384). It is a good expression to omit from the policy leaving the parties to settle the amount to be paid between themselves.

66. Assessments:—Levies made upon members of mutual fire insurance or other associations, for the purpose of meeting losses and expenses.

67. Assessors:—Fire loss adjusters are sometimes so called, especially in England.

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68. Assets :—All stock in trade, securities, cash and other available property belonging to a merchant or company; the correlative of "liability."

69. "As now Constituted" :—A phrase applied to partnerships, representing the firm as existing at the time of the insurance, the members of which are the parties covered by the policy, however the style of the firm may read. (*Form 16*).

70. Assigns :—Those to whom property has been assigned and transferred.

71. Assignee :—One to whom an assignment has been made. His rights under the assignment are simply those of the assignor at the time of the transfer.

72. Assignment :—A transfer or making over to another the whole or part of any property, real or chattel, in possession or in action. All assignments of property under insurance must be assented to by the insurer *at the time of such assignment*, and accompanied by a transfer of the insurance, or the policy will be void in the hands of the assignor; nor will the assignee have any interest therein.

73. Assignor :—One who makes an assignment; one who transfers property to another.

74. Assurance :—This word means, in its legal sense, any instrument which confirms the title to an estate; but it has, by usage, now come to denote the act of insuring, either in life or fire insurance. Hence *Assured*, one who is protected by insurance; *Assurer*, one who insures; an underwriter.

75. Auctioneer :—One who sells property at auction for a compensation. He is the agent of both parties

for certain purposes, and has an insurable interest in property consigned to him for sale. (328):

76. Automatic Fire alarm :—A system or circuit of self-acting electric wires, acted upon by heat when in excess of the gauge at which it may have been gauged or set, and by which excess the circuit is closed, and an alarm transmitted to some central point.

77. Automatic Fire extinguishers :—A system of pipes and valves arranged in buildings for extinguishing fires; the opening in the pipes or valves being coated with a composition graded to melt when in contact with heat beyond a certain temperature, and release the water. They are made of various forms, and where effective, have been the means of preventing large fires by quenching the flames in their incipency. Allowances are made in rates where these implements are found effective. They frequently fail to work when needed, however.

78. Avenant :—The French term for any indorsement upon the policy by which its original intention may be changed, qualified or cancelled.

79. Average Clause :—A method of pro-rata contribution among co-insurers upon a general loss. As applied to fire insurance practice, it imports that *all* of the property at risk under the policy shall contribute pro-rata in payment of loss or *any portion* of such property, without reference to the amount of insurance thereon.

This clause is always operative, except when the amount of insurance equals the value at risk, or when all of the property is destroyed, leaving nothing upon which contribution can operate—the policy being liable for loss or

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for loss or damage to the property covered, only in the proportion that the sound value of the lost property shall bear to the value of all of the property at risk at the time of such loss. For the various forms of this clause see (*Forms 82-83*).

80. Average line :—The mean amount that should be carried upon any given class of hazards by a company, taking all concurring factors into consideration.

81. Average rate :—The medium price proper to be charged upon any given class of hazards.

82. Award :—The official decision of an arbitrator duly appointed. Such an award duly submitted will be binding in the matter of a claim for an insurance loss as for any other claim. Also a decision made by a fire loss adjuster as to the liability of a company upon a loss. (56).

83. Badge or House plate :—A small metallic sign formerly affixed to houses when covered by insurance, with the name of the insuring company thereon. They are also called marques, plaques, and fire-plates.

84. Bailee :—One having special property in goods or chattels intrusted to his care for special purposes. Having possession of the property he may cover the same by insurance in his own name, and collect any loss thereon and hold any balance, after paying his own charges and fees, for the benefit of the owners.

85. Bank Notes :—Bills, bonds, notes, accounts, deeds and such like are only evidences of value; hence beyond their value as material, as old paper, they have no insurable value. (417).

86. Barge-Boards :—A corruption of the word "Verge-board." An inclined, projecting board placed at the gable-end of a building, hiding the horizontal timber ends of the roof. These verge-boards are of wood, frequently very heavy and ornamental, and when buildings so adorned are in close proximity, they seriously expose each other.

87. Bark-mills : Disintegrators :—Large iron mills,—some of them not unlike huge coffee-mills—for the purpose of tearing or grinding bark for tanning purposes. The motion is very rapid, causing much very fine dust, highly inflammable and explosive; with danger of sparks from friction in the process. If located inside of the tannery building, they add materially to the rate of premium; if outside, they should be located sufficiently remote not to expose the tannery buildings. (*Form 55*).

88. Bark sheds or Piles :—Bark for tannery use, being quite dry is very inflammable, taking fire from sparks very readily. It is also liable to spontaneous combustion if closely piled. Such sheds or piles expose the tannery building when within 75 feet, and call for an extra rate of premium. (*Form 55*).

89. Barter :—Traffic by an exchange of commodities.

90. Basis rate :—The lowest rate affixed to a standard building of each class of hazards, to which additions are to be made in rating other buildings for all material departures from such standard. (538).

91. Battery :—When two or more steam-boilers are laid side by side and connected together so as to be used simultaneously, they are termed a "battery;" as a "battery of three boilers."

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92. Benzine : Benzole :—A highly inflammable distillation from petroleum, used for lights ; also, for thinning paints in lieu of spirits of turpentine. It is also used in small quantities in the household, for cleaning clothing, gloves, etc.

93. Betterments :—Improvements in the way of additions to and alterations of a building which render it better than mere repairs. Such betterments, made by a tenant at his own cost, he can protect by insurance. If, however, such improvements cannot be removed at the expiration of the tenant's lease, they became a part of the realty and belong to the landlord. (*Form 32*).

94. Blanket Policies :—A limited floater, because it covers several subjects, in a single locality, under one sum, and for a single premium. See "Compound policies." (143 : 251).

95. Blanks in Policies :—All blank spaces in printed forms of policies, not required to be filled up at the time the policy is issued, should be ruled across in ink to prevent interpolation and alterations after issue, by unauthorized persons. (40).

96. Bolts :—A name applied to blocks, or sections cut from trees in various lengths, from which staves, headings, shingles, etc., are sawed, rived or split. (*Form 64*).

97. Bone-black :—Another name for animal black or charcoal. The product of the burning of bones of animals in tightly closed cylinders or furnaces. The *char* thus produced is broken into grains, and used for many purposes, the clarifying of sugar syrup among them ; also, printers' ink, blacking, etc. The finer portions of selected bones produce what is known as "*Ivory black*." With

the exception of "lamp black," there are few materials so subject to spontaneous combustion as bone-black. The utmost care is needed to keep it from excessive temperature, moisture or too close packing in barrels, boxes or papers.

98. Books:—Under the designation "books" are embraced all volumes, whether of paper or parchment, or other material. It need not be a book in the ordinary acceptance of the word. A volume made of many sheets bound together; or it may be printed on a single sheet only, as the words or music of a song. Books are not included in the word furniture. (*Form 44 b*).

Books of Account of a merchant are not insurable as books; they are merely memoranda, and are valuable, insurance-wise, only as old paper stock.

99. Book Binderies:—Book binders usually occupy the upper stories of buildings. The chief danger is from the use of the glue pot when heated by fire instead of steam; paper shavings, and large numbers of boys and girls employed. The stock is such as to damage badly by water and smoke in the event of fire occurrence, and the salvage is usually very small. (*Form 41*).

100. Book-rate:—The ratio that the assets of a company would net to the shareholders upon closing its business on a given day and returning the capital and surplus, if any, pro-rata. This "rate" is found by dividing the amount of capital into the sum of the net assets, thus:—

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101. Boulinikon:—A kind of oil cloth, made from buffalo hides, much like Linoleum, and manufactured by a

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very similiar process; being extremely hazardous from the liability to spontaneous ignition from linseed oil and other inflammable materials used in the manufacture.

102. Branch Stores:—Contain usually old, shop-worn stocks, or salvages after fires, sent to country places for sale at reduced prices. Like cheap auction and dollar stores they will bear close watching as insurance risks.

103. Breweries:—Prominent among the causes of fire occurrences in breweries, where no distilling is done, are overheating; defective flues; defective malt kilns; malt while in the kiln; spontaneous ignition; dust explosion at malt grinding machine; substances falling on furnace top; burnings with hot irons; kettle furnaces; boiling of pitch for beer kegs and hogsheads, etc., etc. If distilling be done on the premises, it partakes of that hazard; if coo-
~~pering be done~~ it is a cooperage risk to that extent. Malt-kilns should be examined to see that no wood work is exposed to the fire. The frames of the kiln should be of iron, and the floor should be of sheet iron pierced with small holes. The hop grinding process is a high hazard from the fineness of the dust produced. Many large establishments use patent ice machines for cooling the liquids. The "*pitching*" of the inside of casks to fill worm holes and tighten seams, etc., is an important hazard. *Varnish* is also applied to barrels, inside and out, to make them perfectly tight. (*Form 59*). See "Ice Factories." (308).

104. Lager-beer Breweries:—For many causes, are held to be more hazardous than ordinary beer making. Not unfrequently the *stables* of the establishment form a portion of, or adjoin closely to, the main buildings, and thus add another hazard. (*Form 59*).

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"walking beer-barrels" in the shape of employees. The whole forming a conglomerate hazard which requires the closest examination when offered for insurance.

105. Brick-kilns:—Are usually covered with rough boards, seldom worth insuring ; though in large yards permanent structures of this kind are to be found possessing an insurance value.

106. Bricks from Saw-dust:—This style of brick made of saw-dust and clay intermingled, and subjected to a very great pressure, and then burned like ordinary brick, are said to be entirely fire-proof. They are made in sizes 13 by 6 by 4 inches, with two square holes the length of the brick, in the middle, one inch in size, thus affording interior ventilation and lessening the weight.

107. Brick-veneering :—The method of facing a frame structure with a single course of bricks, laid flat, and secured to the building by means of occasional iron clamps laid in the mortar, is called *veneering*. This method is called *brick-nogging* in England. Veneered buildings rate simply as the better class of frames.

108. Broom Factories :—The manufacture of broom-corn brooms is a specially hazardous operation. Broom-corn, in itself, is very inflammable, taking fire readily and burning fiercely. The seed will take fire spontaneously in the field. The better kind of material is bleached with sulphur before being worked up. The sulphur or brimstone mill is an added danger, which with the bleaching-room should be located outside of the main building. If broom-handles are made on the premises, it partakes of a "turning risk." The whole needing close inspection before acceptance. (*Form 27*).

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109. Brush Factories:—Cover several varieties of stock known as : *Compound stock brushes*, including all kinds of brushes from a bone-handled tooth-brush to the largest wood head sweeping-brush, with long wooden handle ; *paint brushes*, with turned wooden handles, wound with cord or wire, and painted ; *flat brushes*, with tin or brass fastenings ; and *artists' brushes* of fur and hair, secured in quills.

The filling "tufts" are usually bristles, horse-hair, rattan, whalebone, split-horn, spun-glass, wire, tampico and manilla grass, cocoa fibre, etc., besides embracing also wood-working for the heads and handles, and celluloid and lionite for the false backs, thus creating a heavy conglomerate hazard.

In the manufacture there are used pitch, resin and glue ; the tinner's fire-pot, naphtha and benzine to keep moths away and to thin paints ; varnish for finishing, and box-making for shipping manufactured stock.

The bristles are very dirty, requiring washing and bleaching by sulphur process ; the tampico, manilla and cocoa fibre create much litter as well as very inflammable dust liable to explosion. The whole, with the machinery, forming an insurance hazard that will bear the most thorough inspection before writing thereon.

110. Buckets and Barrels filled with water should be found at hand on every floor, in all manufacturing establishments especially, ready for use in cases of sudden emergency. In winter the water should contain salt enough to prevent freezing. A bucket of water in time might prevent a large conflagration. (*Forms 49 ; 50*).

111. Builder's Risk:—A builder's risk arises when the building is placed in possession of a builder for the

purpose of rebuilding, alteration or repairs; such permit must be endorsed upon the policy, if covered by insurance, or the contract will be voided. (117; 407).

The customary permit is as follows:—

Builder's Risk taken for.....months, on the building now in the course of erection, owned by the insured, and situated,..... No fires to be allowed in the building except in the kitchen fire-place (or in safe and properly secured stoves for drying purposes). All doors and windows to be securely closed at night, and all shavings to be cleaned out at close of work each day. Extra premium therefor \$

Date Agent.

112. Building:—A building is an edifice erected upon or over the soil, composed of wood, brick, stone or other material and designed for use where it is fixed. The word "house" or "building" in a policy of insurance covers every thing necessary and appurtenant to such house or building and the uses and purposes for which it was intended, extending to and including the foundation walls.

A "building in course of erection" will include only the material used and labor in its construction; but will not include material prepared for, but not yet used in the structure as far as completed. (600).

113. Bullion:—Uncoined gold or silver in the mass or lump; but may cover coined metals where reckoned by weight, as foreign coins at the mint for recoinage. The earliest English policies exclude bullion, coin, diamonds and jewels from fire insurance. (85; 417).

114. Cancellation of the Policy:—The right to cancel an existing policy by either insurer or insured, at their option, is now provided for by the conditions of all fire policies. But no cancellation is complete until the

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money for the unearned premium on the policy has been paid or tendered by the company. If cancelled by request of the insured the company will retain short rates of the premium ; or if cancelled by the company it will pay pro-rata rates of premium for the unexpired term. (579).

Agents failing to cancel when so directed by the company or its manager, will become liable for any amount the company may have to pay in consequence of the failure to cancel as instructed. (25).

The customary form of cancellation reads as follows :—

" In consideration of.....dollars (\$.....) return premium, the within policy is hereby cancelled as of this date, and is thenceforth void and of no effect and surrendered to the company

Date..... Insured.

In cancellations expired time represents earned premiums ; unexpired time represents unearned premiums. See "Short rate Tables," "Table of Constant Multipliers," (Appendix).

115. Canning Houses :—The canning of various edibles for commercial purposes has grown of late into large proportions. The hazards common to all canneries, meat, fish, oysters, fruits and vegetables, are the dangers attending the making of the cans, wherein gasoline is largely used for soldering. The use of furnaces, vats, ovens with great heat, from 250 to 400 degrees at times ; lacquer, thinned for use with gasoline, for varnishing the cans ; and the making of boxes for packing the canned goods, thus adding a carpenter's risk to the others. Large quantities of paper labels are also used which, together with gasoline and naphtha for lighting purposes, render the risk a dangerous conglomerate hazard that needs looking after.

The buildings for canning fish, oysters, etc., where the season is but short, are usually mere frame structures near the locality where the material is found, while meat and fruit canneries are usually located in cities or towns, and the work is done in a fair to good class of buildings.

116. Carburetter :—A can or small tank, filled with naphtha through which a volume of common burning gas is forced for the purpose of supplying additional carbon to increase the intensity of the flame. As naphtha is very inflammable all carburetters should be located outside of, and some distance from the building, and be well secured in a brick vault built for the purpose. The use of carburetters calls for consent of the company. (*Form 77*).

117. Carpenter's Risks :—This class of risks is usually limited to a certain number of days during which repairs and alterations, *incident to the occupation of the building*, may be made. (111).

The consent of the company should always be obtained for *mechanic's risk* of any kind upon buildings, to prevent any cause of avoidance. (407 : *Forms 43 ; 87*).

118. Carpenter's Shops :—Where hand work only is done. The hazard will depend largely upon the number of hands employed ; how heated, usually by stoves with shavings and shop refuse for fuel ; heating of glue ; if smoking be permitted on the premises ; and generally the manner in which the shop is kept as to cleanliness. All shavings should be removed daily ; and all doors kept securely closed at night. Barrels of water, with buckets, should be in constant readiness for use.

119. Casualty Insurance :—Indemnity for personal accident. (6).

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120. Cellar:—A cellar is never called a “story” in describing the height of a building; and the word “building” includes the cellar unaffected by the idea of its height above the foundation. The cellar or foundation walls are covered by an insurance upon the building (112).

121. Celluloid:—An exceedingly inflammable compound, composed of thin tissue paper and camphor, treated with certain chemicals, forming a pulpy substance capable of being compressed to great hardness; and which, from the cheapness of its production, and the ease with which it can be molded into almost every conceivable shape and form has, to a large extent, superseded many more costly but less dangerous materials,—ivory and hard-rubber especially,—in the manufacture of many articles in daily use, such as knife-handles; piano-keys; cane, umbrella and parasol handles; combs; backs of hair and other brushes; jewelry; card cases; cigar cases; billiard balls; shirt collars, bosoms and cuffs, and others *ad infinitum*, any one of which, upon close contact with a spark of fire, would burst into instantaneous flames. And yet there is scarcely a dry-goods or fancy-goods store in the country that does not contain more or less of this incendiary stock. Celluloid factories are among the prohibited risks of all of the best class of companies. Called also “Xyrolene,” and “lignoid.”

122. Certificate of Insurance:—A certificate issued by the company certifying that the party named therein is insured under the regular form of the company's policy. These certificates are commonly used by the holders as collateral security for advances made upon the property covered, by banks or other parties. It differs materially from Interim receipts. (14).

123. Certificate of Loss:— See “Magistrates’ Certificate.” (389).

124. Change of Occupancy, either by the tenant or of the kind of goods kept for sale, will require the consent of the insurers indorsed upon the policy.

125. Charcoal Risks:—Charcoal made from wood is largely used by blast-furnaces, and is kept in quantities in sheds. From the tendency to absorb oxygen charcoal is liable to spontaneous combustion, especially when finely pulverized. A fire once started in a mass of charcoal is difficult to extinguish. (92).

126. Chattels:—Every kind of property, movable or immovable, less than a freehold, is called chattel or personal property.

127. Cheese Factories:— See “Creameries.” (170).

128. Chemical Works:—Buildings of greater or less extent in which divers and sundry chemicals are manufactured, some of them of extra and specially hazardous natures. In many the processes involve great heat, and the use or making of combustible and explosive combinations. In many localities they are, from the gases and odors escaping therefrom, regarded as nuisances and considered detrimental to health. They require thorough inspection before being written upon.

129. Chimneys and Flues:—Defective chimney flues have been a prolific source of loss to the insurance companies, especially where wood has been used for fuel. To be secure against settling and cracking, both chimney breasts and flues should be built from the ground

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below the effect of frost; and no joists or beams should be let into them.

When *flues* are built upon brackets attached to studs in the walls, their weight is sure to cause the partition to sink; and where they may be in contact with the roof or floors, openings will be made through which sparks will get into contact with the wood and cause fires, as has been the case often, and will so continue until flues are made self supporting. All flues should be thoroughly parged or plastered inside, and all unused pipe holes should be closed by metal caps. Flues, when resting upon properly secured brackets, should have at least three layers of bricks at the base below the pipe hole; the pipe should never be allowed to go perpendicularly into the bottom of the flue and thus leave an opening around the pipe for sparks or burning soot to drop through to the floor. All flues, stoves and stove-pipes should be thoroughly inspected. (622).

130. Churches have proved themselves not to be as desirable insurance risks as they would seem. In cities the danger arises chiefly from the heating apparatus. Fires being needed usually but once weekly, in the cold season the furnaces are heated up to the fullest capacity beforehand, and then left to take care of themselves. Under such spasmodic treatment pipes and flues get out of order, and conflagrations follow.

In small places, and in the country, the heating is customarily by wood or coal, and not unfrequently the stoves used are none too good, and the stove-pipes disjointed from use. Experience demonstrates that rates heretofore have been altogether too low on this class of hazard. (*Form 7*).

131. Chômage:—Was introduced into France some years since, and applied to the insurance of workmen's wages in the event of the compulsory stoppage of their work by the occurrence of fire. It has since been extended to cover owners of factories under similar circumstances. The plan does not seem to have met with much favor outside of France.

132. Civil Commotion:—An insurrection of the people for general purposes, although it may not amount to a rebellion where there is usurped power.

133. Classes of Hazards:—The terms "not hazardous," "extra hazardous," and "specially hazardous," are now well understood technical expressions among fire underwriters, each having distinct and separate meanings as applied to goods and to various occupations and trades; though exactly what goods are included in the several designations may not be so generally known and recognized as to dispense with proof. For many years, a list of the several kinds of goods, wares and merchandise comprising each class was enumerated upon the reverse of the policy. It was also customary to write a policy upon merchandise "haz., and ex. haz.," without further description. This "lazy man's" policy has now about gone out of use and the property covered is properly described in the policy.

134. Classes of Buildings:—The following is the most commonly accepted classification of buildings, viz:—

Class A. Fire proof from the outside in every respect; having no wood-work exposed; brick or stone with fire walls; metal, slate or tile roof; cornice of metal or stone; doors and shutters of fire proof materials; and not exceeding 60 feet from pavement to the eaves.

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Class B. Next best construction ; similiar to class A, except fire proof doors and shutters.

Class C. Ordinary brick or stone building without fire proof doors or shutters, and with shingle or composition roof.

Class D. A frame (wooden) building.

Where buildings are No. 1 of their class, but not equal to the next higher grade the following are sometimes used to represent them :—

Class BB. Represents a building with some fire proof shutters ; good fire-walls, and otherwise superior to a simple B.

Class CC. Represents a C building with roof partly of metal ; the better class of gravel roofing and no wooden cornice.

Class DD. Represents a building with metal, slate or tile roof and better generally than an ordinary D.

135. Classification of Towns and Cities :—

*1st Class :—*Places having water-works of the best construction, with duplicate pumps, and steam fire engines with sufficient power to throw water from street hydrants over any of the business buildings, and a well equipped Fire Department.

*2nd Class :—*Places having ordinarily good water supply, with a well organized fire department and steam fire engines.

*3rd Class :—*Places having an organized fire department, with effective hand engines, supplied from cisterns or other fair water supply.

*4th Class :—*Ordinary country towns without fire departments.

136. Coffee roasting :—This is done in large revolving iron cylinders, over hot fires of coal. The furnace rooms usually have stone floors. The berry when withdrawn from the roasting cylinder is red hot and so remains

for some time ; if, in this condition it be turned out upon a wooden floor, and permitted to remain in heaps, instead of into iron trays or pans on legs, fires will occur. The cooling of the berry is more dangerous than the process of roasting. (*Form 58*).

137. Co-insurance:—An insurance wherein two or more parties are jointly liable upon the same risk, in whole or in part.

Co-insurer, one who carries a portion of a risk.

Co-insurance Clause:—A stipulation in the policy making the insured a co-insurer with the company for any value of the property at risk "uncovered" by insurance.

This clause is applicable to the same risks as the average clause (79), but it makes any subsisting insurance upon the property a factor in the apportionment of the loss, so that any *excess of value* of such property over the amount of insurance thereon shall contribute to the payment of loss in the ratio that such "uncovered" value (42) bears to the total value at risk. If the total insurance equal the value at risk, contribution ceases for want of a factor to indicate the ratio of such contribution. (*Form 69*).

138. Cold-storage:—A building fitted up with large refrigerating rooms where meat, fruit, milk and other articles are stored for preservation from decay.

139. Commission:—The compensation allowed to agents and brokers for business done for a company or other principal. The word also represents the certificate of authority under which an agent works.

140. Commodity:—An article of commerce, as goods, wares, merchandise, etc.

141. Common Carrier:—A party engaged in the business of transporting persons or property for hire, as

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distinguished from a carrier without hire, or a private carrier for hire. Being liable for all property in his custody he has an insurable interest therein, and may insure his risks.

142. Compact System:—A method of conducting the fire insurance agency business in the United-States, under which the agents within a certain district sign an agreement to adhere to certain rates as promulgated by a duly appointed manager, selected by the companies in interest—but in no way otherwise connected with either of them,—to control the business of such district or territory.

143. Compound or Collective Policy:—A policy covering upon several different subjects in one or several localities, in a single sum. Called also a floating, general, or blanket policy. (94 : 251).

144. Compulsory Insurance:—Insurance made obligatory upon certain classes of working-men, chiefly against accidents in factories and shops.

145. Concealment:—The suppression of material facts having reference to a pending insurance known to the applicant, ^{but} not known to the insurer. Such concealment, through ignorance or design will, if material, avoid the policy. (254).

146. Concrete:—A mass of stone spalls or chip-pings, pebbles, etc., cemented together by mortar and used for building purposes.

147. Concurrent Policy:—Covering the same subjects, in whole or in part, with other policies, compound or specific, for the same parties, but not necessarily for the same amounts. (436).

148. Confectionery; Candy Factories:—The best class of candy is made from pure white sugar only; the inferior qualities are made from brown sugars, colored and adulterated with glucose, wheat and rice flour, starch and marble-dust,—known as *terra alba* (white earth) or China clay; corn meal, and even saw-dust, in the coarser kinds. Rock-candy is the purest form of candy.

The hazards of a modern candy factory may be summarized as, heat used in crystallizing syrups; furnace; open braziers or choffers, and the use of much machinery for cutting and mixing the sugar paste, and grinding sugar, rice, starch, etc., causing much very inflammable, combustible and explosive dust, which has caused the wreck of several factories heretofore. Coloring matter is also used, some of which, as arsenic for greens, is very deleterious to health.

Where what is called "confectionery," composed of cake, jellies, etc., is made, much of the candy-making hazard exists; to which is to be added the hazard of a bakery, with ovens heated by wood or coal.

149. Consequential damage:—When loss or damage, although not a necessary is, nevertheless, a natural or usual consequence of a fire, as from water used to extinguish the flames, the falling of floors, walls, etc.,—it is called a consequential damage, and the insurers are liable therefor. (10: 174: 383).

150. Constructive damage:—Insurers are not liable for such damages as loss of time, rent, profits or commissions, from derangement of business consequent upon a fire. Such losses are generally too indefinite and intangible in their nature to be made subjects of legitimate claims under an ordinary fire insurance policy. (383: 492).

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151. Consignee:—One to whom consignments are made of goods and other property for sale, by *Consignors* or owners. Such bailee has an insurable interest in all property thus consigned to him, and may cover the same by insurance in his own name, and in case of loss hold any excess of payment by the insurers, over his own fees and charges, for the benefit of his principals as he held the goods before the fire. (228: 605 *Forms* 28: 37).

152. Consignor:—One who sends goods or other property to consignees for sale or other special purposes. Being the owner of the property, he has an insurable interest therein to the full value.

153. "Consisting of":—As this term is construed to be one of "special limitation," excluding all articles not enumerated in the list of subjects named, the expression should be qualified either by the addition of the word "chiefly," as "consisting chiefly of," or by supplementing the phrase with the following or something similar: "and such other articles as are usually kept for sale in such stocks" (or stores). The insurance will then apply to all of the goods thus described. (*Form* 37).

154. "Contained in":—This phrase is intended to confine the liability of the insurer to the locality in which the property covered by the insurance was contained at the time of the issue of the policy. But inasmuch as the Supreme Courts, of several of the Western States especially, have decided that upon certain kinds of movable property under insurance,—as clothing in use, a horse on the road and a vehicle at a repair shop away from the locality named in the policy,—such conditions being incident to their intended uses respectively, the liability of the company covering thereon still remains in force. To meet this ruling

the offices now insert the word "while," making the policy read "while contained in." The English policies usually provide against such construction by the phrase "and not elsewhere." (*Form 40*).

155. "Contiguous to":—Adjoining; near-by; touching. An indefinite phrase which cannot be strictly construed in all cases.

156. Contribution:—The pro-rata sums payable by co-insurers upon a common loss. Contribution means payment.

157. Contribution Clause:—A stipulation of the policy providing for the ratios in which losses shall be payable among co-insurers upon the same risk. (*Form 68*).

158. Coopers' Shops:—Places where barrels, tubs, etc., are put together by hand, the staves, headings and hoops being made elsewhere. The chimney should be well constructed, the firing-hearth ample, of flag-stone instead of bricks, which are apt to become loose and displaced; and well protected. Shavings should be removed daily; barrels of water, with full supply of buckets, should be at hand at all times; and lights and stoves should be well looked after; even then they are undersirable risks at full rates of premium.

159. Coping:—A top finish or cap of stone, to a wall rising above the roof.

160. Cordage:—All kinds of ropes, or cords, of whatever size, but particularly those composing the rigging of ships. They are mostly made of hemp and flax.

161. Corn:—As used in English marine insurance, corn is a very comprehensive term, embracing all descriptions of grain in which the germinating power continues;

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but it has been held not to include rice. What are called "Flouring" mills in the United States are called "Corn mills" in England.

162. Cornices:—When of wood or metal fitted upon wood, often serve to extend fires from one tenement to another; and when the eave-trough is also of wood they become quite hazardous adjuncts to the risk.

163. Coroners' Inquests:—Investigations made by a coroner or other qualified official, into the origin of fires.

164. Counter Insurance:—Another designation for reinsurance, as used in England. (514).

165. Counter-signature of the Policy:—The signing of a policy by an Agent, without whose "counter-signature" the policy would ordinarily not be valid by the terms of the policy.

166. Country Stores:—Remote country stores, where the owner does not reside in the same building, have been prolific sources of loss and unsatisfactory adjustments. Unless the owner be well known, and some reliable persons sleep in the store, such risks are most profitable when left alone. (335. *Form 31*).

167. Cotton-gins:—Machines for detaching cotton from the seed. The process of ginning cotton is very hazardous, as anything like a nail or pebble coming in contact with the rapidly revolving steel saws would be likely to strike fire and set the cotton in an instantaneous blaze. Cotton-gin houses are among the prohibited risks of all conservative companies.

168. Cotton-press:—Also termed "*Compress*." A building containing the machinery driven by steam, by

which cotton bales are compressed into small bulk for the purpose of shipping. They are usually located in cotton-yards and subject to like risks. (*Forms 24: 25*).

169. Crematories:—Furnaces for burning the dead. The name has been also applied to *incinerators* or refuse burners, used at large wood-working establishments for disposing of shavings, etc. It is also applied to similar erections for disposing of accumulated offal in cities.

170. Creamery:—A place where milk is used in large quantities, and butter and cheese made therefrom by various processes involving the use of heat and of ice. They are usually operated by steam power. The processes being mostly wet, the internal fire hazard is comparatively small. Operations usually cease in the fall and are resumed in the spring, leaving a season of several months of non-user, during which the premises are locked up.

171. "Cribbing" business:—A phrase appropriately applied to the getting away—virtually stealing,—the business of other agents or companies by some underhand, hence disreputable, practice.

172. Cyclones:—See "Tornadoes." (590).

173. Daily Report:—A copy of the written portion of each policy, with the rate, term, amount, date, and survey and diagram of the risk; to be forwarded to the company upon the same day on which the risk was taken or renewed by the agent. (169).

174. Damage:—Injury sustained by the property covered, from the occurrence of the risk or peril insured against. (10: 149).

175. Date of subscription to the Policy:—It is of absolute importance that the hour of commence-

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ment and cessation of liability of the underwriter should distinctly appear in the policy. (196). To meet this necessity all policies have some definite hour of the day specified as the commencement, and the same hour of the day of expiration, as the termination of liability.

The date of subscription and counter-subscription should be affixed *at the time of issue*; but it may refer back to a prior day, if such be the agreement of the parties. See "Time Tables." (Appendix).

176. Days of Grace:—A certain space of time after the expiration of the policy,—usually fifteen days,—within which the policyholder may pay the premium and thus avoid a forfeiture, provided a loss has not occurred in the meantime.

177. Days of the prompt: Prompt-day:—In England, are pay days for prior purchases, usually falling "on the Saturday after the expiration of one month" from such sale, until which time the goods are at the seller's risk if not removed.

178. Dealer:—One who buys and sells; a merchant, trader, shop-keeper, as opposed to a producer.

179. "Declare a risk":—To make known the contents of a parcel or package entrusted to a carrier, in contradistinction to the phrase "Contents unknown."

180. Delivery of Goods:—Under a contract of sale, delivery may be *actual*, when the title passes to the purchaser, whether the goods be removed or remain in custody of the vendor. But if something yet remains to be done after sale, as selecting, counting, measuring, marking, or otherwise, before setting aside the goods, the contract is incomplete; the title remains in the vendor and the risk is his. (182).

181. Delivery of goods is *conditional* when a sale is made upon certain incompleted terms, and the title remains in the vendor until the contract is complete, though the property may have been removed by the purchaser. Such property may be stopped "in transitu" by the vendor. (566).

182. Delivery of goods is *constructive* or *symbolical* where the contract is perfected by passing over the key to a room containing the property; or an order upon the warehouseman; or by simply counting, marking or otherwise setting the goods aside, or in any other way whereby the *control without the custody* of goods is given. *The risk follows the title in all cases* unless otherwise provided, as under the "Usual commission clause." (605).

183. Delivery of the Policy:—May be *actual*, when delivered personally to the insured or his agent, by an officer, agent, or clerk of the company; or *constructive*, when the instrument remains in the office of the company, or in hands of an agent subject to the order of the insured.

184. Depreciation:—The decline in value of property from any cause. Depreciated values of old, shop-worn stock should form a prominent factor in accepting risks and fixing the amount to be covered thereon. So, also, with buildings, especially upon renewals of long-term policies at expiration. (52).

185. Detached:—Buildings unconnected with any others are said to be "detached." Such vacancy of space may be more or less. The presence of a specially hazardous risk, within less than 100 to 150 feet, would remove neighboring buildings from the category of

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"detached." In cases of frame structures, nothing less than 75 to 150 feet, dependent upon size and occupation, would be considered "detached." (253).

186. *Isolated* differs from detached in being entirely separated and standing apart, and beyond burning distance, from any or all other buildings.

187. "Devil":—The rag-picking implement in paper mills is so called. The picking of rags is a very dangerous process.

188. *Devisee*:—One to whom property has been left by will. A devisee has an insurable interest in such property to the value of his interest.

189. *Diagram*:—A plan drawn to a certain scale, on which are shown all of the buildings and the material of which each is constructed, within a given distance of the risk to be shewn. If the plan be colored, red denotes brick; blue, stone or iron, and yellow, frame; old and dilapidated buildings are usually so marked: while green denotes special hazards. The street numbers are placed in front; the height, in storys, inside next the front; with certain signs to indicate fire-walls, openings, wooden cornices, class of roofs, fire-proof doors, windows, etc. Ruled forms for diagrams are given on the reverse of daily-report and application blanks sent out by the company. Nothing will present to the home office, or the distant manager, a better idea of the risk and its exposures, than a well constructed diagram. (*Form 52*).

190. *Distilleries*:—Manufactories of fermented liquors from cereals. The distillation of these products into gin, whiskey, etc., and the rectification of alcohol into high-wines, are all dangerous processes fire-wise,

and should be written upon, if at all, only after thorough inspection, and consent of the home office. (*Form 36*).

191. "Dollar-Stores":—See "Branch Stores."

192. Double Insurance:—Is where there are two or more insurances upon the same risk, in the same or other offices. All such additional insurances should be assented to by the several co-insurers upon their respective policies, otherwise the policy not so endorsed will be void for breach of condition. (12).

193. Dower Interest:—Provision made by law for the widow out of the lands and tenements of her deceased husband's estate for the support of herself and children. Such interest is insurable.

194. Drug Stores: Wholesale:—A class of extra hazards embracing a complete magazine of latent combustibles, inflammables and explosives, ready for the spark at any moment; and when once on fire, usually resulting in a total loss to the insurer. They deservedly occupy a leading position among the prohibited risks of the more conservative offices. (*Form 31*).

195. Drug Stores: Retail:—With only a prescription stock, to which is usually added a stock of fancy goods, are regarded with more favor; but in the event of fire occurrence the loss must always, from the nature of the stock, be a heavy one to the insurer. (*Form 31*).

196. Duration of Risk:—The period of time for which the risk is to run. "Time is of the essence of the insurance contract," and it is a requisite that it should be distinctly stated in the policy (175). In short-term insurances in warehouses, where the goods are constantly coming in and going out, it is customary to note the

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time of entry or commencement of the risk and leave the "time open," or "undeclared" (635), until the subject of insurance shall be sold or removed, when the premium is estimated at short-rate for the "time at risk," and so entered and paid for. See Short-rate Table. (Appendix).

197. Dwelling:—A place of residence: an abode; a habitation. A class of risks much sought after by insurance companies in cities and towns. Country and farm dwellings should be thoroughly inspected as to chimneys, flues, and modes of heating and lighting.

Curtilage:—A court-yard or close, comprised within the fence surrounding a dwelling-house. (*Forms* 1, 2, 3, 4).

198. Drying-houses:—Or rooms for removing moisture from various substances, as tobacco, leather, etc. These are comparatively safe when heated by properly arranged coils of steam pipes. Drying is also done by means of slatted flooring over steam boilers, as in drying wool hats, bone-black bags after washing, in sugar houses. The latter is a *very* dangerous practice, and its use should render such risks uninsurable. (612).

199. Dry-kilns:—Small buildings near wood-working mills used for drying lumber for use. They are of brick and of wood, being usually heated by steam pipes running along under slatted floors, over which the lumber is piled. They need thorough inspection, as much trash falls through the floor upon the heated steam pipes, which may in time, cause fires. Those having the steam pipes arranged along the sides are preferable to those where laid on the ground under the floor.

200. Dynamite:—A powerful explosive composed of nitro-glycerine and powdered sand, used in blasting; it

is exploded by percussion. The use or storage of dynamite, without consent of the insurers, voids the policy.

201. Dynamo:—A machine for producing electricity for electric lightning. (205, *Forms* 26 : 89).

202. Earnings and Profits:—One having an insurable interest in productive property may insure the prospective earnings arising therefrom ; but these interests must be covered specifically as such, and usually at a fixed value and rate per cent. See "Profit Insurance." (492).

203. Earthquakes and Hurricanes:—Damages from these causes are not included in an ordinary fire-policy. In the Continental policies they are especially excepted. (590).

204. Eave-Troughs:—See "Cornices." (162).

205. Electric Lights:—Are now rapidly replacing gas. But inasmuch as there is yet much to learn about the new illuminant, from which many fires have occurred, permission to use electric lights must be given in the policy or the insurance will be void. (201, *Forms* 26 : 89).

206. Entirety of the Policy:—Where the property covered by the insurance consists of several separate subjects or items, but the consideration (premium) was entire for the whole, and if from any cause, the policy becomes void from breach of condition in the matter of one of the subjects, the whole policy becomes invalid. The sole effect of the division of the subjects at risk in the policy being to limit the insurer's liability upon each in the event of loss.

207. Equity of Redemption:—The right to redeem a mortgaged estate after it has been forfeited at

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law for non-payment at the time appointed. The holder of such an equity has an insurable interest therein during its continuance.

208. Error in Name, or designation of place in an insurance policy, is unimportant if there be no possibility of mistaking the identity of the person or the place intended. (416).

209. Esparto Grass:—Called also "Atochar" grass, and "Firey" grass, from its burning so readily and fiercely. It is a long, fibrous grass, much used by paper makers as a substitute for rags. Once on fire it can seldom be extinguished. Esparto grass in stacks uncovered, is peculiarly liable to spontaneous combustion. (109).

210. Estimating Profits on Sales:—Profit should be estimated upon the *cost* of the goods sold, and not upon the *sale price*, which latter embraces both *cost* and *profit*.

The *Aliquind* or *unqual* process is as follows :

Divide the sum of the sales,—with two ciphers added for whole numbers, and four ciphers where there may be fractions in the percentage,—by the rate per cent., with 100 added thereto ; as for 15 per cent., say : 100, the cost, and 15 the profit, equal 115 ; for $12\frac{1}{2}$ per cent., say, 112.50 ; and in this mode for any other per cent ; the result will be the *cost* of the goods, which deducted from the *sales* will give the *profit* thereon.

EXAMPLE.

Amount of sales \$1,500. Estimated profit 15 per cent. Divide \$1,500 by 115, the result will be \$1,304.35, the *cost*. Then, \$1,500—1,304.35 leaves \$195 65 as the *profit*.

Proof: $130435 \times 15 = 195.65$.

211. Aliquot Process:—Where the estimated percentage of profit in an even part of 100, the process can be much shortened by using the following Table, which will give the profits direct:

212. TABLE OF ALIQUOT PERCENTAGE.
OR EQUAL PARTS OF 100.

Percentage	Parts	Divide by	Percentage	Parts	Divide by
1.00	100th	101	5.00	20th	21
1.04 $\frac{1}{6}$	.96 "	97	6.25	16 "	17
1.25	.80 "	81	6 6 $\frac{2}{3}$	15 "	16
1.56 $\frac{1}{4}$	.64 "	65	8.33 $\frac{1}{3}$	12 "	13
1.66 $\frac{2}{3}$	.60 "	61	10.00	10 "	11
2.00	.50 "	51	12.50	8 "	9
2.08 $\frac{1}{3}$	.48 "	49	16.66 $\frac{2}{3}$	6 "	7
2.50	.40 "	41	20.00	5 "	6
3.12 $\frac{1}{2}$	.32 "	33	25.00	4 "	5
3.33 $\frac{1}{3}$	.30 "	31	33.33 $\frac{1}{3}$	3d	4
4.00	.25 "	26	50.00	half	3
4.16 $\frac{2}{3}$	.24 "	25			

EXAMPLE.

Amount of sales \$14,000. Estimated profit 16 $\frac{2}{3}$ per cent. Divide \$14,000, the sales, by 7, the figure opposite 16.66 $\frac{2}{3}$ per cent.; this will give profits \$2,000. Leaving cost of goods \$12,000.

Proof: Cost of goods \$12,000 \times 16.66 $\frac{2}{3}$ = \$2,000 profit.

213. Et cetera; &c.:—This word, or character is held to cover and include everything of the same or similar character, or whatever else ought to have been expressed. Its indefiniteness and capacity for including anything and everything, whether intended or not, should banish it from an underwriter's vocabulary.

214. Excelsior:—Hard-wood finely shredded by machinery into lengths of about 18 inches. Used by upholsterers for stuffing cushions, lounges, etc. It is also called "wood-wool."

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215. Exceptional Risks:—Certain classes of property not covered by the policy, as money, bullion, bills, notes, accounts, deeds, evidences of debts, or securities of property of any kind.

216. Excess Policy:—A certain form of policy which by its terms is not to be liable for any loss upon the subjects covered by it, until certain other insurances upon the same subjects shall have been exhausted. There is no contribution between such policies and the direct insurances upon the same subjects.

217. Executor: Executrix:—A person to whom a testator by will, commits the execution or putting in force of that instrument and its codicils, if any. Such bailee has an insurable interest in the property of the deceased held by him or her to its full value.

218. Expectation:—The bare possibility that right of property might hereafter arise cannot be considered an insurable interest in the expectant.

219. Experts:—Persons conversant from experience with the subject-matter, in questions of science, skill, trade, and others of like kind. The evidence of such experts is always admissible.

220. Expiration notices:—It is customary to notify policy-holders of the time of expiration of their insurances. Such notice is desirable for both insurer and insured; but it is not obligatory upon the company. While this is the case as a rule, yet where it has been the custom to keep the insured advised of the time of expiration of his policy, it has been held by the courts that failure to send the customary notice will operate against a company under certain circumstances, as a waiver of payment of premium on time.

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221. Explosions:—By the usual stipulation of the policies companies are not liable in cases of explosion unless fire ensues therefrom. But they are liable for damage from explosions caused by prior burning on the premises. The precise point where the explosion ceased and the fire began is often a difficult question to determine, though upon the decision of this point the responsibility of the underwriter frequently hinges.

222. Exposures:—Any thing adjoining or contiguous by which the hazard of an insurance risk will be increased. (253).

In affixing rates the matter of exposure—external and internal—becomes of importance, and should have attention.

223. External Exposure is either by adjoining or adjacent buildings, which should be considered with regard to class and occupation; the lower the class of exposing buildings the greater the hazard arising from them.

224. Internal Exposures arise chiefly from the nature of the occupancy. A manufacturing risk of any kind presents more material for fires and fire occurrences than do non-hazardous or simply hazardous occupations, and the rating should be fixed accordingly.

225. Express Companies are common carriers. Being liable for the goods in their custody, they have an insurable interest in their safety while in their possession. (141).

226. Extra Rate:—An additional rate for increased hazard.

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227. Extra time:—Working extra or over-time is an increase of hazard, and should be consented to in the policy and pay an extra rate of premium. (*Form 88*).

228. Factor:—One employed to sell goods or merchandise for his consignor or principal, for a compensation termed commission or factorage. Having the property in possession he may either cover his own interest therein or he may cover the entire consignment and collect the money for the loss, holding any excess over his own charges, as trustee for the owner in the same manner as he held the goods before burning, or their proceeds if sold. (152: 605).

229. Factory:—A manufacturing establishment operated by some motive power, as steam, water, etc., as distinguished from shops where manual labor only is performed.

230. Fair-grounds:—The buildings erected upon fair-grounds, race courses and such like, are located out of towns and are usually of frame, and unoccupied for the greater portion of the year. Unless the grounds are securely fenced in, and carefully watched, they are undesirable as insurance risks, as they furnish places of resort for tramps and other loose characters in the neighborhood.

231. Family:—The word "family" comprises all who dwell in the same house and constitute the household. It is not necessary that they should be under the same roof, or that the father should be with them if the mother and children keep together so as to constitute a family. The word also includes servants.

232. Family Supplies:—When covered by a policy, will include only such articles as are consumed in their use, as fuel, oil, groceries and provisions. (*Form 43*).

233. Family Wearing Apparel:—Includes all articles of clothing or raiment owned, and in use by any and each of the members of the insured's family or household for whom he provides ; but does not cover watches, jewelry, artificial limbs, or other articles of a personal nature that are in no sense clothing or raiment. (*Form 4*).

234. Feathers:—An extra hazardous class of stock, not dangerous in themselves, but like millinery, extremely subject to injury from smoke, dust, or water ; so that in the event of fire loss the salvage will always be small, if any.

235. Femme Covert:—A married woman. Where under the laws of the State, she can own property in her own right, she has an insurable interest therein separate and distinct from her husband. (404).

Femme sole is an unmarried female who has all of the rights of property common to others.

236. Fences, Out-houses:—Yard fixtures and fences, within the curtilage, are insurable in connection with the dwelling, but must be so expressed in the policy. (197. *Form 1*).

237. Fidelity Insurance:—See "Guaranty Insurance." (279).

238. Findings:—In the shoe-trade, consist of tools, bristles, wax, thread, pegs and other material of the same nature, but not leather, forming the shoemaker's kit. (*Form 32*).

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239. Fire:—To make the underwriter liable under a fire policy, the loss or damage must be caused by fire; either by actual ignition of the property itself, or of some substance near by, causing the damage. Fire by actual ignition must be the proximate or efficient cause of the loss and not merely incidental to it. No liability attaches for damage by *heat* or *smoke* occasioned by the misapplication of fire-heat during the process of any manufacturing. Heat is not fire under the insurance policy; if there be no ignition there is no fire.

240. Fire Departments, and fire extinguishing facilities in cities and towns are important factors in the affixing of premium rates. The more effective the department, and the fire service generally, the higher the standing of the locality and the less the rate.

241. Fire extinguishing facilities in mills and manufactories, when efficient, tend to reduce rates; but in many cases, in sudden emergencies, these have been found unreliable for want of "brains" to handle them. (76:77).

242. Fire Inquests:—See "Coroners Inquests." (163).

243. Fire Limits:—Certain sections in cities and towns, within which no frame structures can be erected or repaired. Where such municipal ordinances are in force all policies should contain the following or some similar clause:—

"It is understood and agreed that this company shall not be liable for any loss or damage to the property hereby covered other than the actual loss or damage caused by fire, notwithstanding any municipal ordinance prohibiting the rebuilding or repairing of buildings damaged by fire."

Without some such stipulation the company cannot rebuild, or repair fire damages to frame buildings within fire limits.

244. Fire-pots :—The tinner's and plumber's "fire-pot" for heating soldering-irons, from the number of fires it has caused, has come to be known as "the incendiary fire-pot." The sole recourse that fire underwriters have against this destroyer is to hold the "Boss" liable for the carelessness of his journeymen. This has been effectual in many cases heretofore, and could be made equally so hereafter, if the courts be resorted to in self defence. (*Form 18*).

245. Fire-places :—Unused fire-places are apt to become filled with dropping soot, which is readily ignited by sparks falling from the chimney. If such be closed by wooden fire-boards, the danger of fire is imminent.

246. Fire-proof Doors :—Iron has heretofore been used for doors and shutters, and supposed to be fire-proof; but it has been found to be totally unfit for the purpose in consequence of warping and twisting by heat, thus leaving openings for the fire to pass through. The best substitute yet found for the iron-door is the tin-clad door, which when properly made has been proved to resist fire, even when exposed to the strongest heat. (*Form 41*). These doors are made as follows :—

Two or more thicknesses, according to dimensions of the opening to be covered, of good clear, matched pine boards, crossed at an angle of about 45 degrees, wrought nailed and clinched; covered on both sides and around the edges with a good quality of tin; the sheets to be hooked or lock-jointed—but not soldered—and securely nailed at the hook lines with one and a quarter inch nails, with the tin then bent and hammered over the nail heads

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to prevent their falling out. No air spaces should be left under the tin, as the more solid and compact the door the greater the fire resistance. All door-sills and jambs should be of masonry. All wood exposures should also be cased with tin, wherever fire could penetrate. A good coat of strong paint should be applied to the tin as a preservative against rust.

This kind of door and shutter is recommended by the New England Mutuals to all of their insureds.

247. *The mere mention* of fire-proof doors in the policy does not include, by implication, the duty of closing them at any specified time. (*Forms 31 : 37*).

248. Fire-walls:—A brick wall without openings, and rising not less than 18 inches above the roof, and properly coped with stone. (159). If there be openings in the walls they should be protected with fire-proof coverings, properly secured. (246).

249. Fire-works:—The articles known as “Artificial fire works” are deemed “specially hazardous,” and when kept for sale among other stock, the policy is voided unless a permit has been endorsed thereon. Such permit to keep fireworks for sale does not cover the stock kept.

250. Fixtures:—Insurance upon fixtures in a store, as understood by fire underwriters, covers what are known as “trade fixtures;” such as are affixed by a tenant for the purposes of his trade or manufacture, and which are removable under the law by the tenant before the expiration of his tenancy; such are held to be chattels, and not a part of the freehold. So, also, with annexations for domestic comfort, convenience or ornament, capable of being removed without injury to the premises, which being chattels may be insured as fixtures. But gas and water

pipes, laid in the ground or walls, are not chattels and cannot be removed by the tenant, though put in at his expense, except by special agreement with the landlord.

251. Floating Policy:—An extended form of the compound policy, covering subjects in several different localities at one rate of premium and in one amount. It is used in heavy transactions, and should always be made subject to average or coinsurance to protect the underwriter, as in the event of loss on any one of the subjects the policy *floats* to cover the loss wherever it may be, hence its name, "floater." (94: 143).

252. Flocks:—The waste in the manufacture of shoddy, ground up with other articles, into a kind of coarse powder, used in making flock paper-hangings.

253. Frame Range:—Buildings of wood in close proximity to each other. To constitute a "frame range," it is not necessary that the buildings should stand in a compact row; if they adjoin around the corners or by rears, or stand 30 feet or less apart, they are regarded as a range. Contents are deemed insurable in the least exposed frame ranges; but the buildings are among the prohibited risks.

254. Fraud:—Includes any trick or artifice employed by one person to induce another to fall into, or detain him in, an error so that he may make an agreement contrary to his interests. Misrepresentations or concealment of material facts in taking out an insurance is fraud. (415).

Fraudulent Swearing:—The policy stipulation relative to "fraudulent swearing" is held to apply to fraud in the proofs of loss solely. Fraud, or any attempt at fraud, in

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proofs of loss if proved, will avoid the claim under the terms of the policy.

255. Frescoed Walls, or high priced wall-paper are, by its terms, not covered by a policy upon a building. Like mirrors and plate-glass, such extras must be noted in the policy. (472).

256. Fuel Cartridge:—A wire net or cage, filled either with slag-wool or asbestos, and then saturated with kerosene. It will burn for an hour or more according to the size of the cartridge. About all that can be said in its favor is that it is safer than the kerosene can in the hands of an ignorant servant.

257. Furniture:—See "Household furniture." (304).

258. Garnishee process:—As connected with insurance, is the same as at common law process. An unadjusted or unliquidated claim for loss under a policy of insurance is subject to attachment in the hands of the insurer. Companies upon which this process has been served *must* answer at their peril; nor will any assignment of the claim by the insured, after service of the garnishee, affect the attachment or relieve the company from liability to answer under such service.

259. Gas:—Explosions arising from illuminating gas, made from coal, are covered by the policies of companies in England; but not so covered in the United States.

260 Gas brackets:—Movable or swing-brackets are dangerous when in contact with wood, curtains, etc. Only fixed brackets should be permitted to be used. Where jointed brackets must be used, they should be

guarded by *stops*, from contact with inflammable materials, and provided with glass globes, or wire shields.

261. Gas: Natural:—Natural gas is now extensively in use for lighting, heating, and for fuel in manufacturing establishments. Its application for these purposes is so comparatively recent, together with the many serious explosions that have occurred from its use, and the difficulty in controlling its pressure, has heretofore been such, that fire underwriters have not yet become unanimous as to its safety. The one great question connected with its use is its permanency; a question that seriously affects those manufacturers who have been to great expense in fitting up their several establishments for the use of gas as fuel. A principal danger in its use in houses is leakage caused by heavy pressure; basements are frequently found so full of the gas that explosions follow the introduction of lights for any purpose. Privilege for use must be indorsed upon the policy, and a certificate obtained from the Secretary of the Board of Fire Underwriters. (*Form 78*).

262. Gasoline:—A very volatile, inflammable and explosive mineral hydrocarbon obtained from petroleum. It forms the fuel used in what are known as gasoline or vapor stoves. From the dangerous nature of gasoline a heavy extra premium is charged upon premises where these stoves are used; if used without a permit, the policy upon building and contents becomes void, by its terms. (*Forms 94: 99*).

263. Gasoline Fire-pot; used by painters for removing old paint from walls and wood-work, and by plumbers for heating soldering irons. They are very apt to explode in use, and are second only in hazard to the "incendiary fire-pot" of the tinner. (244).

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264. Gas Machines; for the generation of gas from gasoline for lighting purposes, are held to be specially hazardous; and permits for their use must be obtained, and appear upon the policy or the insurance will be void. The vault, containing the gasoline, should be of brick, located under ground, and at least 50 feet removed from the building. The pipes should be so laid that the drip will run back to the reservoir and not to the machine. Stop-cocks should be outside of the building to cut off the flow when desired, and the whole apparatus should have frequent inspection. (*Form 94*).

265. Glucose: Grape Sugar:—A saccharine product of fruits, grains, potatoes, or any thing that will make starch. In the United States corn (maize) is principally used. It is used by brewers in the manufacture of lager beer in lieu of barley-malt. It is also largely used in making confectionery; by tanners to give weight to leather, and for other purposes.

Glucose works combine the hazards inherent to starch works, sugar refineries, and the hazards of corn shelling, when done on the premises, together with the nuisance attending a distillery.

266. Glue:—A gelatinous substance manufactured from bones, hoofs, horns and tendons of animals, and from parings and hide-pieces from tanneries. The chief hazard of a glue factory arises from the stench connected with it, making it a nuisance in the neighborhood. From the numbers reported as burned, few, if any of them, seem to have ignited from mere inherent hazards of the occupation. (*Form 60*).

267. Glycerine:—A sweet liquid formed during the saponification of oil and fats evaporated into a syrupy consistency.

It is used in dyeing, brewing, liquor-making, wine-keeping, sizing, and as a substitute for molasses in forming printers' ink-rollers.

268. Goods and Chattels:—The word goods applies to inanimate objects only, but does not include fixtures; while chattels include every species of property less than a freehold. (126).

269. Goods, Wares and Merchandise:—This phrase includes every thing in the nature of mercantile commodities which are customarily bought and sold in the way of business; goods, being articles of trade and wares, manufactured articles whether goods or merchandise. (409).

270. Grain:—Comprehends all sorts of seeds of divers plants used for food, including corn, which name in England, is used for all kinds of seed used in making bread, as wheat, rye, oats, barley, maize, rice and millet. In the United States the term "corn" is applied only to maize or Indian corn. Flax seed has been held to be grain when raised for the seed only, and not for the fibre. So also with peas and sugar-cane seed. See "Growing grain." (277).

271. Grain Elevators are extra hazardous risks, and in the United States are subject to a fixed tariff rate for a standard risk with additions for all deficiencies. They require close and frequent inspection, especially in the uppermost stories of the building where dust will always accumulate and clog the bearings of the machinery, thus causing friction and sparks. Small lines should be taken upon the building, leaving the company open for larger lines on contents at short-rates. (*Form 39*).

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272. Grain in Warehouses:—When grain is deposited in a warehouse on the understanding that not the identical grain, or grain of like quality, is to be returned, but the money value thereof at the market price, on the day the depositor should fix—the transaction is held to be a bailment, and not a sale.

When grain is stored in a warehouse, subject to order of the owner, it is customary to put all grain into bins with other grain of like grade, and when called for to deliver, not the identical grain deposited, but grain of like quality or grade. The warehouseman's receipts are held to be proofs of the quantity and grade of grain in the warehouse. Many frauds have been discovered in these transactions, some of them resulting in the burning of the building to cover up deficiencies in quantity.

273. Green-houses:—The buildings being largely of glass, and the contents of fictitious values only, are not considered as desirable risks. The contents usually pay double rates. The method of heating and the flues need looking after.

274. Grist-mills:—Small custom flour-mills, as distinguished from merchant mills.

275. Groceries:—Tea, coffee, sugar, spices, fruit, liquor, and other articles of food and drink for the table.

276. Ground-rent:—Rent paid for the privilege of building upon another person's land, held on long leases. Such interest is an estate very different from that of the owner of the land; each being the owner of a fee-simple estate. Ground-rents are subjects of insurance like any other valuable interest, and are largely the subject of perpetual insurances. (461 : 524).

277. Growing grain:—The insurance of grain in the field against loss by fire is peculiar to California ; the season commences with the month of May and ends with September, or thereabout. The practice is to estimate the stand of the grain and corn at about 50 to 60 per cent. of the estimated value. The fire hazards attending growing grain arise from locomotive or other sparks, tramps' pipes, and ordinary carelessness. It has been found profitable heretofore, and is sought for by the best offices. Burnt stubble, however, presents but few points to enable an adjuster to arrive at the actual value of a field of standing grain destroyed by fire. (270).

278. Guardian:—A curator, having legal charge of the person or estate, or both, of a minor orphan. He may insure the property of his ward and collect any loss upon the same in his own name as guardian.

279. Guaranty Insurance:—An insurance of the honesty of employees and others holding positions of pecuniary trust ; fidelity insurance.

280. Guaranty Policy:—A reinsurance policy so termed in England. (514).

281. Gun-cotton:—Made from ordinary cotton or cotton waste. It explodes violently with a force of three to six times greater than that of gunpowder. If kept damp it can be handled without danger. It is fired when used, by a detonating fuse.

282. Gunpowder:—Is among the " memorandum " articles of the policy ; the quantity to be kept and the method of keeping it being set forth in the policy stipulations. (412).

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283. Gunpowder Mills are uninsurable.

284. Gutta-percha :—The milky juice of the percha tree, which hardens by exposure. It is used by rolling into sheets, then warmed and pressed into moulds ; and dropped in cold water to harden.

285. Gutta-percha Cement is made by mixing the gum with tar and resin ; and is used in this form for cementing gutta-percha articles to wood ; for frames, handles, etc. When used in shoe-factories the gutta-percha is dissolved in coal-tar naphtha, and becomes very inflammable and explosive. The supply in shoe-factories is limited to that for one day only on the premises at one time. (*Form 99*).

286. Hail Insurance :—The covering of growing crops by insurance against injury from hail storms. Extensively practised on the European continent, but to a small extent only in the United-States.

287. Hair-working :—Human hair working is attended with considerable risk where the drying is done over a brazier or open furnace ; also when on the crimping machine. But the hazard is largely increased in the manufacture of *imitation hair*, where jute, hemp and other fibres are used, as they are very apt to ignite when dried by steam or hot air, or singed over braziers. The chief danger, however, seems to arise from the *moral hazard* attending the trade. The fires in hair factories have been numerous and many times of mysterious origin.

288. Hand Grenades :—Glass bottles containing liquid said to be effective in extinguishing incipient fires. They have enjoyed quite a run, but have been, upon being analyzed, found to contain salt as the only active

ingredient in some cases ; while in others were found soda and ammonia salts. The companies make no allowance for their presence.

289. Hay in Stacks, or in the barn, if not sufficiently cured or dried, is liable to spontaneous ignition. Fires from such causes are not covered by the policy. (551).

290. Hay-packing Barns are attended with much danger from the quantity of loose hay lying about the premises. If the packing or baling be done by a steam press the danger is much increased ; the same precautions should be used as for steam threshing machines. (634).

291. Hazard, Peril or Risk, is the peril or danger for which the policy provides indemnity should loss to the property occur from the hazard insured against.

The various risks written upon by fire insurance are divided as follows : *non-hazardous*, *hazardous*, *extra-hazardous* and *specially hazardous* ; each having distinct and separate meanings as applied to goods and the various occupations and trades.

The term *hazardous* indicates a risk involving only the ordinary or average degree of hazard ; while *special hazard* is applied to any risk in which the liability to loss from fire is more than ordinary or extra-ordinary. The term is customarily applied to the more dangerous manufacturing risks ; while an *inherent hazard* is the danger or liability to burn from some risk within itself, or inherent in the manufacture. (496).

It was formerly customary to write merchandise policies in cities as covering : "*haz., non-haz. and ex.-haz.*," without further description. This form was appropriately called the "lazy man's policy." Its use has about ceased.

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292. Held in Trust: Property held by a bailee for another, as by a warehouseman on storage. As used in the policy it is always construed in its mercantile sense. Such bailee has an insurable interest in the property entrusted to him. (605: *Form 23*).

293. Hemp Manufactories are considered "specially hazardous" from the great amount of dust arising in the processes. This dust is exceedingly fine, and adheres to rafters, benches, floors, etc., only needing a spark to produce a conflagration, while the material itself burns readily and fiercely.

294.—Hoists:—*Elevators* or *Lifts* carry with them considerable risk, acting as conveyors of flame from one story to another in cases of fire. Those closing with automatic doors are considered the safest. Where such hoist-ways are uninclosed they add greatly to the risk, by acting as flues.

295. Hollow Ware:—A term applied to vessels of metal, as pots, kettles and the like, made of iron.

296. Hop Houses, called *Oust-houses* in England. Buildings in which hops are dried upon floors similar to malt-houses, with small furnaces below. The heat usually ranges from 160 to 212 degrees. The hops are bleached by the use of sulphur in various ways during the process of drying. (103).

297. Horses are never covered by insurance as merchandise. They are sometimes covered under the term "Live Stock," though customarily as simply horses, with a limit as to the amount of liability on each. Valuable stock should always be specified by some description or name, to prevent substitution in the event of loss. (*Form 13*).

298. Hotel Keeper:—Being liable at common law for the safety of property of his guests, he has an insurable interest therein while in his charge. Hotel furniture is not held in high estimation as a risk. If taken it should be listed by Schedule. (537).

299. House:—The term *house* or *building* embraces every thing appurtenant and needful connected with it, including the foundation walls; but does not include the contents, nor any fixtures or appurtenances that do not constitute a part of the main structure. (112: 120).

300. A house in course of erection includes only the material used in the construction as far as completed; any other material on hand is not covered by an insurance upon the building. (600).

301. House Plate:—See "Badge." (83).

302. Household:—Those who dwell together and constitute a family. (231).

303. Household Furniture:—This phrase includes all articles in ordinary use in the family, such as a piano or other musical instruments, sewing-machine, household implements and appendages necessary or convenient for house-keeping, beds, bedding, linen, kitchen implements and utensils generally, all being articles not consumed in their use. (*Form 4*).

304. Household Furniture, useful and ornamental, will include paintings and engravings, sculptures and articles of virtu generally, if not of excessive value in themselves or disproportionate to the other furnishings of the house or circumstances of the owner; and unless required to be specifically named they would be covered under this expression in a policy. Articles of personal

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adornment, as watches, jewelry, etc., would not be included in household furniture. (*Form 4*). Valuable pictures and statuary should be Scheduled. (537).

305. Household goods, or Stuff, comprises all personal chattels that may contribute to the use and convenience of the household, whether useful or ornamental, not consumed in their use.

306. Hurricanes and Earthquakes are not included among insurable hazards as yet; though *cyclones* and *tornadoes* are now covered by many companies. (540).

307. Ice Houses:—Are usually built of wood, with double walls, the interstices being filled with sawdust; and the ice, when filled, is covered with straw. They are, more frequently perhaps, than any other class of risk, struck by lightning. The loss after a fire is usually nearly or quite total, for the ice being porous is easily penetrated by smoke, thus rendering it unfit for table use, and making it practically valueless for ordinary purposes. Ice-houses are usually prominent among the prohibited risks of all conservative companies; or if covered, only at full rates and medium lines.

308. Ice Factories:—The manufacture of artificial ice has now become a recognized branch of trade in those warmer climates where natural ice cannot be had. Ice machinery is also extensively used in large brewery establishments for producing ice, or currents of cold air for cooling purposes. (163).

There are several processes for the manufacture of ice by means of evaporation of certain gases or fumes in ice-house chambers. Where ether, cymogen, anhydrous oxide, or rhigolene is used, the process is attended with

imminent danger alike to life and property ; all of these substances being volatile, inflammable and highly explosive ; where ammonia is used the process is less dangerous fire-wise, as ammonia gas will extinguish fire ; but if, as has been the case, any of the pipes should burst—the gas being usually forced through at a pressure of 160 pounds or more,—no life could sustain a breath of the deadly gas, while the shock of the explosion might destroy the building. Such an accident would not be covered by a fire insurance policy, unless fire should ensue.

309. Identity of property:—The insurance being upon merchandise which is to be used for traffic, and not as property to be kept unchanged, the only *identity* of the subject of insurance needed is that it shall be a stock of the same class of goods or not more hazardous, owned by the insured in that store. The removal of one stock and replacing it by another of like kind does not change the subject of insurance within the meaning of the policy.

310. Illegal trade:—It is an important requisite in all insurances that the interest to be covered must be a *legal* one ; for a policy upon a subject is void if the interest thereby covered is illegal, or if the contract contemplates an illegal use of it.

311. Illiterate persons:—The fact that an applicant for insurance was an illiterate person, and understood the English language but imperfectly, was immaterial, because he was not obliged to sign the application unless he understood it ; but if he signs such application without asking to have it read to him and accepts the policy, he will be bound by its conditions.

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312. Illuminations:—All illuminations, outside of the customary methods of lighting up the premises, are at the risk of the insured, unless consent for the same be endorsed upon the policy by the company or its agent before using.

313. "Immediate" loss and damage:—Any loss or damage to property under insurance, arising *directly* from the peril insured against.

314. Implements:—Such things as are used or employed for a trade or employment; the furniture of a house; things of necessary use in any trade or mystery, without which work cannot be done. It is not entirely synonymous with the word "tools;" a thing may be an "implement," and yet not be a "tool;" but a tool is nevertheless an implement. (589).

315. Incendiary:—One who wilfully sets fire to a building. (59).

316. Increase of hazard:—Any addition to the hazard of the risk after the issue of the policy, as a rule, will void the insurance unless properly consented to by the company, by endorsement upon the policy, before or contemporary with such increase. (13).

317. Incumbrance:—Any incumbrance, such as judgment liens, mortgage, or liens for unpaid purchase money, etc., not made known to the insurer when the policy was issued, or added thereon since, will, under the terms of policy, void the insurance as decreasing the value of the property at risk, unless properly consented to.

318. Indemnity:—That which is given to a person to prevent his suffering damage. "To *indemnify*; to make up for that which is lost; to make good; to reim-

burse." The insurance contract agrees to *indemnify* the insured thereunder to the full amount of his actual loss by the peril insured against, within the sum of the policy. If the loss be less than the insurance, the insured will be entitled to recover *all* of such loss; if there be a total destruction of the property covered by the policy, he will be entitled to the full amount of the insurance, but nothing more. Hence "the minimum of loss is the maximum of indemnity."

319. Individual Underwriters :—Persons who underwrite policies of insurance upon their own responsibilities; such as the members of Lloyds of London. All of the early marine insurances were written by individual underwriters. There are one or two associations of individual fire underwriters in New York city. (380).

320. Indorsement :—Indorsements entered upon a policy, or stipulated for in a separate instrument, purport to be the written assent of the parties to the contract to some change or modification of the original instrument, and that such change shall not prejudice the insurance as made. Indorsements should always be made upon the policy, and *never* upon a renewal receipt. (78).

321. Inland Transportation is the transportation of property over railways, rivers, lakes and canals, instead of by sea. (447).

322. Insolvent Debtor has an insurable interest in his property, until the estate is closed out by the assignee and his interest therein ceases.

323. Insolvent Insurance Companies :—Existing policies of insolvent companies, covering upon a

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general loss, are held as contributing insurance with coinsurers upon the same loss, as between the insured and such coinsurers.

324. Instalment plan of Insurance :—Where property, usually farm buildings, churches, etc., is taken for the period of five years, the premium being divided into equal proportions, the first of which is paid in cash, and goes to the solicitor or agent as commission, and for the remainder notes are given payable severally in one, two, three and four years from the time when the insurance is taken. To the application is appended the following :

"If any instalment upon the premium shall remain due and unpaid for thirty days, then the policy issued upon this application, in consideration of such instalment, shall be null and void until the same is paid."

The plan is simply that of an ordinary yearly insurance, with the first annual premium paid in cash and the other four recurring annual premiums secured by a note in advance ; that is, if the notes be any security.

325. Insurance :—A contract by which, for a consideration, one party agrees to make a payment of money or its equivalent to another party upon the happening of an injury to, or destruction by the peril insured against of something tangible and having a money value, named and located in the policy, which is the evidence of such contract, and in which the second party had an insurable interest at the time of the insurance and at the time of the happening of such injury or loss thereto, if not voided by some breach of condition meanwhile.

Insurance is strictly a personal contract, and not an insurance of the property named, which only forms the

subject of the indemnity, and cannot be insured. It is the owner of the property who is insured or guaranteed against loss upon such property to the amount named in the policy.

There are two *classes* of Insurance, viz. :—

326. Mutual Insurance:—An association of persons for insurance purposes, but without subscribed capital, who agree to pay by pro-rata assessments for each other's losses as they occur. A small cash payment is usually made when the insurance is taken out to cover expenses, and a premium note or bond for an agreed sum is given upon which assessments are to be made as needed. The insured thus becomes an insurer of others to get his own insurance, and pays pro-rata for the losses of others to get his own indemnity, of which, however, he pays his own share also. As security for the payment of assessments when called for, the real property, including both house and land—except in Ontario, where, by law, the land is exempt,—is liable as under a mortgage. Should losses prove heavy and the company dissolve, each member, at the time of dissolution, becomes liable for his full quota of any remaining indebtedness without regard to the payment of his premium note, which is only an estimated amount for the present purpose of assessments to meet current losses and expenses.

There are several modifications of the Mutual system, as the *Purely mutual*, where no cash is paid down ; where a premium note and some cash are taken, and where a cash premium is taken sufficient to carry the risk to expiration, and no note is given, but all indebtedness is met by pro-rata assessment.

327. Joint-Stock Insurance:—Where a cash capital is paid in and held as security for the policy-holders ;

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all policies being issued entirely upon the credit of the capital stock to any one, who may be a stranger to the corporation, and who subjects himself to no liability by reason of the company's losses. In cases of insolvency the liability of the stockholder, unless otherwise provided in the Act of Incorporation, is limited to the amount of capital stock held by him at the time.

The several kinds of insurance are: Marine, Fire, Inland-transportation, Life, Accident, Live Stock, Plate-Glass, etc. (See the respective Titles).

Fire insurance is conducted on several plans, as follows: *Perpetual* (465), *Participating* (460), and *Instalment* (324), which see for further particulars.

328. Insurable Interest:—To make an insurance policy legal and valid, the insured must possess such an interest in the subject of insurance as may be sufficient for the purpose of deducing the existence of such a loss to him from the occurrence of injury thereto by fire, as may be pecuniarily valued.

329. *As many several and distinct "insurances" may exist simultaneously upon the same property, as there may be separate insurable interests connected therewith, without creating "other insurance," or necessitating co-contribution for losses, as Mortgagors (422,) Mortgagees (420), Lessors (304), and Lessees (365), Factors (228) and owners.*

330. *No insurable interest will exist, however, in cases of liens (368), until every thing has been done which may be necessary to give such lien effect and validity. Such interests must also be legal and valid. (310).*

331. Insured: Assured:—One who is insured.

332. Insurer: Assurer:—One who underwrites policies of insurance.

333. Iron-clad:—A building, when covered in whole or in part with iron, is said to be iron-clad.

334. Iron doors or shutters:—See “Fire-proof doors.” (246).

335. Iron Safe clause:—A provision in the policy that the regular books and accounts, shewing the condition of the business of the insured, shall be kept, and protected from fire by being placed in an iron safe, or elsewhere, where they will not be liable to destruction by fire on the premises covered by the policy, under penalty of avoiding the insurance where such precautions are not taken. (166: *Form 79*).

336. By the New York Board Rules, a deduction from the full rate is made when the stock is kept in strictly fire-proof safes at night, and so provided for in the policies. (*Form 20*).

337. Isolated:—Detached from all other buildings; beyond burning distance; standing alone. (186).

338. Ivory-black:—The coal of ivory or bone reduced to a very fine powder. (97).

339. Jet:—A soft bituminous variety of lignite, or coal, used for jewelry purposes. It is very inflammable and combustible.

340. Jettison:—The casting of freight, etc., overboard during a storm, to save the ship.

341. “Jumbo lines”:—A name given to extra heavy lines of insurance taken upon property.

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342. Junk:—Old rope, rigging, or other similar property. Junk and rag shops are held uninsurable because of liability to spontaneous ignition.

343. Jute:—The fibre of the inner bark of an Indian plant from which coarse fabrics, such as bags, mats, carpets, the foundation for oil-cloths, etc., are made. It is also largely used in the adulteration of cotton and linen goods, and in the manufacture of artificial hair. From its light, brittle nature it is exceedingly inflammable and burns with great rapidity; and in its green state, will ignite spontaneously in the stack. It should never be stored with other goods.

344. Kamptulicon:—An oil-cloth formed of India-rubber masticated with ground cork by passing the subjects between grooved rollers; thence passing to heavy smooth rollers where it is made into sheets. By other processes gutta-percha, saw-dust, peat, ground leather, resin, pitch, asphalt, tar, chalk and waste are compounded, and painted with a cement having naphtha and linseed oil for the bases; thus forming one of the highest inflammable and explosive compositions known in manufacturing. (374).

345. Keir:—A steam-boiler used in bleacheries.

346. Kerite:—An artificial India-rubber composed of cotton-seed oil and coal-tar. Its cost is about one third of the natural article; and it can be used for many purposes for which the real article is applied. The manufacture is very hazardous, from the nature of the materials used.

347. Kerosene:—A liquid hydrocarbon, obtained from coal—hence the name of "Coal Oil"—extensively

used for heating and illuminating purposes. For this latter use refined oil, the *flashing* test of which should never be below 100 F, which test has been found by experience to be the minimum point of safety, as the inflammable vapor evolved at atmospheric temperature is the prominent cause of accidents, not otherwise purely accidental. The higher the flashing point, the less the adulteration and the greater the safety in using.

The kerosene of commerce is of several grades, all bearing, or should bear, the test mark in figures upon the barrels; but in the hands of unscrupulous retail dealers, it,—like whiskey in similar hands,—becomes subject to much tampering with, to increase the quantity at the expense of quality, by adding naphtha, by which its use is made unsafe and unreliable. (*Forms 92, 93*).

348. Kerosene Stoves are but larger lamps, for heating purposes, and subject to the same dangers.

349. Oil rooms at hotels and factories, where kerosene is used for lights, become quite hazardous from the quantity of oil spilled upon shelves and floors; wiping cloths, etc., from which a gas is constantly evolving, and if not permitted to escape by means of ample ventilation explosions will occur upon lighting of matches in the room. And this especially where naphtha is used to prime the wicks before lighting. So, also, where kerosene is kept in barrels in cellars away from day-light, necessitating the use of artificial lights by aid of which to draw the oil; many explosions have occurred in such places.

350. Empty Kerosene and Naphtha barrels should be removed from the premises at once; they are more dangerous than full ones, unless kept closed, because a gas is constantly escaping from them, especially if subject to a

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moderate heat, and thus causing danger from explosion. Empty barrels exposed to the sun on sidewalks, in yards, etc., are very dangerous if flame or fire be brought near them.

351. Kiln:—A stove, oven, or pile for drying, burning or hardening any thing, as a dry-house, brick-kiln, or pottery-kiln. (*Form 67*).

352. "Knock-down":—A term applied to furniture when finished and ready to put together, and in that condition prepared for shipping, the recipient completing the work by putting it together.

353. Kyanizing:—The immersion of wood into a solution of corrosive sublimate to prevent decay. So called from the name of the inventor of the process, *Kyan*.

354. Label, or Slip:—A memorandum for an insurance made and entered upon the company's book, containing the material portions of the agreement, signed by both parties, and upon which the policy is subsequently issued.

355. Lamp-black:—Is made from burning common coal-tar, or bone-oil, and receiving the smoke in a suitable room. Wherever lamp-black is made or stored, there is great danger of spontaneous combustion. In lamp-black factories it is quite common, in cold seasons, to wipe the condensed moisture from the inside of the window panes to prevent its reaching any of the black that may have collected upon the window sill; hence rainy weather is a source of danger; the moisture in its composition is one reason for its rapid spontaneous ignition on exposure to air; it has about the same avidity for air as bone-black. (97).

356. Lard Refineries:—Wherever lard is rendered and refined, the floor should be of stone or brick and the pans should be set in brick, with the furnace opening outside.

In steam rendering of lard explosive gas is generated, requiring but a flame of light to set it off. Hence no open lights should be permitted about the tanks when in operation. (*Forms* 13, 36).

357. Last:—A load, or measure of about 4000 pounds, varying in different articles. The word is sometimes applied to a cargo. It is sometimes written Lest.

358. Last:—A wooden model of the foot, upon which shoes are made. These lasts are first sawed into blocks of the requisite size, kiln dried, and then placed in an automatic turning-lathe, where the desired form is given; after which they are finished ready for sale. The risk or hazard is that of a turning shop, with much sand-paper dust, and the dry-house, if on the premises.

359. Leaches:—In tanneries, are pits in which the tan-liquors are mixed, as distinguished from tan-pits in which the hides are steeped.

360. Lear:—In glass works, a long, low brick furnace, for annealing or tempering glass.

361. Leasehold:—It frequently occurs that a building under insurance stands upon *leased* ground; in which event the terms of the policy require notice to be given to the company and to appear in or on the policy. Such buildings are held in law, as personal—not real—property. The estimates of value for insurance upon such buildings should be graduated upon the length of time the lease has yet to run, and the conditions of lease as to

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the disposition of the improvements made by lessee at the termination of the lease ; the longer the lease the greater the value. (*Form 39*).

362. Lees :—The sediment remaining in vessels containing wines, oils, &c. These sediments are much used by dyers ; and wine-lees are used by jewellers for cleaning and whitening pins, clock faces, &c.

363. Legal Representatives :—Where insurance policies are made payable to the "legal representatives" of the insured in the event of his death before a loss, the term is held to have the same import as "executors, administrators and personal representatives," but does not include heirs.

364. Lessee :—One who holds property by virtue of a lease. Such lessee has an insurable interest in the value of his lease *for occupancy only*.

365. Lessor :—One who grants leases to another, either as owner or lessee of the property. Having an interest in the accruing rents he may cover them specifically as such by an insurance. (571).

Neither lessor nor lessee, as such merely, has any interest in the value of the building, *per se*.

366. Levy :—A seizure of property by an officer for debt. Where a legal levy has been made upon property covered by an insurance by the conditions of many policies the insurance is at once avoided. A mere notice of levy by the officer charged therewith to the insured, without taking possession of the property, though a good levy, will not avoid the policy. A levy attaches to personal property only.

367. Liability:—The liabilities assumed by insurers are duly set forth in their several policies. Such liability is simply the sum which the policy is legally liable to pay *under its own conditions*. The amount set forth in the policy is the maximum of loss but not the actual indemnity to be paid in all cases; the insurer pays only with reference to the sum upon which he is paid a premium; the whole sum if the loss be total, or some aliquot part of the sum if the loss be partial only. Hence the "minimum of loss is the maximum of liability," to the underwriter.

368. Lien:—An incumbrance upon the property for the payment or discharge of a debt or duty. The conditions of most policies require that all incumbrances upon the property proposed for the subject of insurance must be made known or the insurance will be void.

369. Lignoid:—Another name for "Celluloid," (121).

370. Lightning:—Until recently, under the terms of the policy, there was no liability for damage by lightning unless fire ensued caused thereby. But at the present time, all damage from this source is covered by fire underwriters. (*Form 91*).

371. Under live-stock insurance, where damages from fire only are covered, it has been held that the mark of *fire* must appear upon the carcass, otherwise it may be a case of death from the electric fluid alone, which is not a loss by *fire*, for "although, like a match, lightning may kindle a *fire*, yet it cannot be understood to be, of itself, *fire*." (*Forms 13:91*).

472. Lightning-Rods:—That lightning-rods, properly constructed, will afford protection to buildings against

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the electric fluid has become now undisputed ; but a badly constructed rod is worse than none. The following is a brief resumé of the essentials of a safe rod. The rod should extend sufficiently high above the building to meet the storm from which way soever it may come. The size, if copper, not less than three-eighths to half an inch ; if of iron, not less than nine-tenths of an inch, and should be thoroughly painted. The connection with the earth should be electrically perfect, with branches in several directions below the ground ; and, if possible, soldered to iron, gas or water pipes, or to water mains, and to a metal plate sunken in moist earth. All joints must be soldered to make perfect connections ; nor should any portion of the rod run horizontally for more than four feet, unless connected with the ground directly ; and where corners are to be turned it should be done with gentle curves avoiding sharp angles ; and, finally, the rods should never be insulated from the building. Periodical examinations and testing should be made especially when earth-connections are employed.

373. Line:—A technical term for the amount of insurance carried upon any risk involved in a single hazard ; as “ a line of \$50,000 upon a stock of dry goods.”

374. Linoleum:—A kind of floor-cloth composed of boiled linseed oil, gums, and ground cork. The body or canvas is usually woven of flax or hemp. The manufacturing processes are extremely hazardous. (344).

375. Linter:—A machine used in cotton-seed oil mills, for re-ginning, and saving the fluffy cotton or lint yet adhering to the seed. This cotton is called “ linters ” also. The hazard connected with this process is the same as in cotton-gin risks, the “ linter ” being a small cotton-gin.

376. Lionite:—A preparation of asbestos, used for the backs of hair and other brushes (109) hand-mirrors, photo-frames, stoppers for bottles, etc. It is neither inflammable nor explosive to a hazardous degree, as no naphtha or spirits are used in the process of manufacture.

377. Lithofracteur:—Literally "Stone-breaker," a composition of nitro-glycerine; a modification of dynamite, but more dangerous. It is put up for use in form of cartridges.

378. Lithographic workers:—Printing from stone by hand-presses. Risk about the same as ordinary printing.

379. Live Stock Insurance:—Is the covering of animals against accidents or death from disease, as the form of policy may indicate.

It has been tritely said of this class of insurance that "If a portion only of a farmer's stock be covered by insurance, the mortality usually falls upon that portion; the uninsured worry along to good old age without any special care," which illustrates the heavy *moral hazard* attending this class of business, which has heretofore made it unprofitable. (371).

380. Lloyds':—The name of a body of individual underwriters operating in London, mostly in the marine branch. The society dates back to A. D. 1710. (319).

381. Lombards:—The name given to certain Italians from Lombardy, residing in England early in the 13th century, who are supposed to have introduced insurance practice into that kingdom, and became the great money-loaners and underwriters of the world; so

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that policies written elsewhere were always expressed "to be made according to the custom of the Lombards, in Lombard street, London."

382. Long-term Insurance:—A term applied to insurances for periods in excess of one year. While *short-term insurance* is applied to periods less than one year. (544).

383. Loss and damage:—Loss, as technically distinguished from damage in fire insurance, is when all or any portion of the property covered is entirely consumed; while damage is when some of the property is not consumed but remains after the fire in a more or less damaged condition. (149: 150).

384. "Loss payable to —":—Where insurances are taken out for the benefit of creditors, mortgagees, etc., it is customary to make any loss under the policy "payable to" such creditor or mortgagee by name. In the event of loss such named payee can collect of the insurers any sum due upon such policy that the insured under the policy could collect *and no more*. If the policy becomes void from any cause as to the insured, at the time of or before the loss, it becomes void also, as to the payee, who simply represents the interest of the insured *under the terms of the policy*. (See, "As interest may appear.") (65: *Forms* 52: 75).

385. Lost or not Lost:—A phrase coeval with marine insurance to denote that the existence or non existence of the ship to be covered by the insurance was unknown to either party at the time of the agreement, and the underwriter took the risk and the premium therefor accordingly. Such insurances were declared lawful, be-

cause neither party knew anything as to the condition of the risk at the time. This principle is operative in fire insurance as well, but to a limited extent only, because the existence or non existence of any piece of property on land can be readily ascertained in these days of telegraphs and rail-roads. But if property be so covered the policy must disclose the fact.

386. Machinery:—In its strict acceptation the word machinery signifies any combination or modification, permanent or movable, of the well known mechanical powers, which may possess the requisites of force, motion or weight, either separately or combined. It may be either *fixed* or *movable*. It is usually moved by power as distinguished from manual operation.

387. Fixed Machinery includes engines and main-line shafting, and such as is customarily fastened to the building, and would naturally pass with the realty. (*Forms 39: 53*).

388. Movable Machinery:—As opposed to fixed, includes all such machines as may be moved from place to place, such as looms, lathes, and single machines generally, though attached to floors, walls, or ceilings of the buildings where used, for security. (*Form 61, and other manufacturing policy forms.*)

389. Magistrate's Certificate:—It is customary to append to preliminary proofs, as a requisite part thereof, the certificate or jurat, of a magistrate or notary public, residing "nearest to," or "most contiguous to," the locality of the fire, and hence supposed to know the facts set forth in the proofs, and stating his belief as to the honesty of the claimant, and his opinion as to the amount

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of the loss sustained by him, which may or may not be the amount named in the proofs. Such magistrate must have no personal interest in the property or the claim, nor be related to the insured.

This "certificate" dates from the earliest days of fire insurance outside of cities, where the "nearest minister," or in his absence a "church-warden," or "reputable neighbor" was to make the certificate.

When insisted upon by the company its production is a condition-precedent to recovery under the policy.

390. Mansard:—A name applied to the upper story of a building covered with what is known as a "mansard roof." So named after the inventor, Mansard, a Frenchman.

391. Mansard-Roof:—Called also, *French Roof*. This style of roofing is extensively used, not only in single structures, but in covering blocks or ranges containing a number of stores each; and where the division walls do not pass through and above the deck of the roof, they are, in fact, "Omnibus blocks," and liable to the same objections. They are sometimes made to include two or three stories above the brick portion of the building or eave trough, thus forming "a two-story frame range on top of a four story brick building," out of the reach of fire engines. They are objected to by conservative companies, and add to the rate, unless of fire-proof construction.

392. "Manufactured, Unmanufactured and in process of manufacture:—" "Raw, wrought and in process;" "Finished, unfinished and in process of finishing;" are all to the same purport when used in an insurance policy covering upon a manufacturing stock. These expressions are included to cover everything

needful and useful in the way of material used in the ordinary prosecution of the business of manufacturing the class of goods named. (*Form 34*).

393. "*Manufactured*," "*wrought*" or "*finished*" is the article in its completed form, and includes all finished goods, whether in bales, packages or loose; and the word *Stock* will cover all boxes, cartons, wrappers, labels, etc., used in preparing the goods for sale. (*Form 51*).

394. "*Unmanufactured*," "*raw*," or "*unfinished*," will include all of the materials or ingredients used in the manufacture of the completed article, whether in original packages unused, or broken for use; and if cans, cases, boxes, barrels, etc., are needed for their safe-keeping, they will be included in the term *Stock* while in such use.

395. "*In process, or finishing*," will, in addition to all needful material, include the labor expended upon the goods in their manufacture in their incomplete conditions; but utensils, implements, etc., used in the process will not be included. (*Form 35*).

396. "The phrase *Stock in all stages of manufacture*," will cover every thing included in either of the above expressions, because the materials used, from the inception to the completion of the articles, are "*stock*," neither more nor less, whether manufactured, in process or completed, which expressions are but indications of the several stages of the "*stock*" from its original condition to its final absorption into the finished article.

397. **Manuscripts** are never covered by a fire insurance policy, unless by special agreement as to value; it then becomes a valued policy. (610).

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398. Marble Yards:—Though marble and other similar material present no seeming danger fire-wise in themselves, yet if exposed to great heat from any cause, they are liable to serious damages, especially if water be thrown upon them while hot. Hence, as a rule, this class of risks should be rated as for heavy, if not total losses.

399. Marine Insurance:—A contract by which one promises indemnity for things transported *by sea*, deducting a price agreed upon between the assured, who makes or causes the transport to be made, and the insurer who takes upon himself the risk, and burdens himself with the event. An insurance against the perils of the sea upon vessels and their cargoes; the oldest kind of insurance known.

400. Mark:—See "Badge." (83).

401. Market value:—The price at which goods can be purchased in "open market," for cash, from first hands.

402. "Open market," in this connection, has reference to legitimate competition among business men by which prices are fixed, and where the purchaser has the option to buy where he may find the best bargains, as opposed to patented or exclusive articles for which there can be no competition as they cannot be had in "open market."

403. Market value differs from "*Cash value*," which is the price for which an article can be sold at any time for *cash*, at auction or otherwise under a forced sale.

404. Married Women:—A *femme covert*, or married woman, owning the fee to premises, may cover a building thereon in her own name, notwithstanding the fact that her husband has the right, during coverture, to

occupy the property jointly with her and has a life estate therein. Nor will such policy of insurance upon her own property be rendered void by the sale thereof, or any portion of it, by her husband without her consent.

405. Materiality:—The law imposes upon the insured as a preliminary duty, in the nature of a condition-precedent, the disclosure of all *material* facts known to him connected with the risk. The *test* of materiality is in the enhancement of the premium had the true facts in the case been given; as when the nature of the subject of the insurance, if known, might influence the insurer to decline the risk, or to write upon it only at an advanced rate of premium, it would be deemed material to the risk. Whatever the form of expression used by the insured, if it have the effect of imposing upon or misleading the insurer, it will be held to be material, and upon due proof avoid the policy. Or, if a fact usually immaterial be enquired about specifically, it will be considered material. But a disclosure waived is an admission of immateriality.

406. Mechanics' Lien:—This is a lien upon property secured by law as a security for the price of work done and value of materials supplied by a mechanic. It is at once operative, and is as much a security before judgment as is a mortgage before foreclosure. The holder of such lien has an insurable interest therein to the amount of his claim, which must however be specifically described in the policy.

407. Mechanic's Risks:—The working of mechanics upon or in buildings under insurance, not connected with the customary occupation of such building,

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is an increase of hazard, and will avoid the policy unless consented to by the company's indorsement thereon. (117. *Form 87*).

408. Memorandum Articles:—All articles of personal property required by the conditions of the policy to be specifically named therein, in order to be covered thereby, are called "Memorandum Articles." They differ materially in the policies of different companies; but extra priced wall-paper, mirrors, paintings, fancy flooring, frescoes, statuary, watches, jewelry, plate, plated-ware, plate-glass exceeding three feet square, china and glass-ware, and articles of virtu generally, are included under the designation "Memorandum Articles."

409. Merchandize:—Strictly applied, the term merchandize is held to include only those things which merchants buy and sell either at wholesale or retail,—property not to be kept on hand unchanged, but to be used only for the purposes of trade and commerce. It is applied to personal, movable chattels only. But the mere fact that a thing is sometimes bought and sold does not make it merchandize; and while merchandize is always property, property is not always merchandize. Thus articles kept for use in a store are included in property, but not in merchandize. (*Forms 82-84*).

410. Merchants:—This term was formerly applied to such persons only as carried on trade and commerce with foreign countries; importers and exporters of goods; dealers at wholesale. But more modern custom holds the term to apply to any one whose business it is to habitually buy and sell merchandize, or goods generally: for all "goods" are not merchandize, nor does a single act of trade make a merchant.

411. Retail dealers, those who buy and sell "by the small," are termed *shop-keepers*, or merchants in a small way. *Tradesmen* are held, in England, to be shop-keepers; but in the United States the term *tradesman* is more commonly applied to mechanics, artificers, and handicraftsmen who earn their living by their daily labor at their several trades.

412. Military, or Usurped Power:—Is held to be an invasion from abroad, or an internal rebellion where armies are employed to support it, and the laws are dormant, and not a mere excess of jurisdiction by a lawful magistrate.

413. Mill Supplies:—This term differs from *Stock supplies* in that it includes only such material for substitution and repairs to machinery, etc., as may be needful and requisite in maintaining the mill in running order. (564. *Form 51*).

414. Misconduct:—As applied to the insurance contract, misconduct is a transgression of some established and definite rule of action where no discretion is left except that which necessity may demand; and though a policy may protect against losses through mere negligence or carelessness, yet it will not protect against misconduct; so that if a loss occur therefrom, the insured must be the sufferer. (428).

Questions of misconduct are questions of law, and are for the courts without the intervention of the jury.

415. Misrepresentation:—The assertion of a material fact which the insured knows to be false; or which he makes in an unqualified manner without knowing if it be true or not. The question of misrepresenta-

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tion usually has reference to the insured because the facts are; or should be, known to him, and the insurance is made upon his statement mostly or wholly; he is therefore under stringent obligations to make a fair disclosure of all attendant circumstances. (254).

416. Mistakes:—Errors or mistakes in fire insurance are either of facts or of law. Courts of Equity may correct errors of fact; but as a general rule contracts will not be reformed in consequence of errors of law. Accidental mistakes in names of parties, or locations of property forming the subject of insurance can be corrected by the law courts when proved. (208, 566).

417. Money is coined gold or silver. *Bank-bills* are only representative of money and have no insurable value. (85, 113).

418. Month:—In cases of mercantile contracts, when months are named, calendar months are intended, unless otherwise expressed. In ordinary contracts in England, a month was held to mean a lunar month of four weeks, unless there was something in the contract to rebut the presumption, and showing that a calendar month was intended; but in commercial transactions the calendar month is the rule.

419. Moral Hazard:—Is the “unknown quantity” as between the physical hazard of the risk and the moral hazard of the person; and is pertinently construed by Col. Ducat as “the danger from friction caused by high insurances and low, depreciated stocks and property coming together.”

The term applies especially to the business character of the insured: Is he honest, careful and pains-taking? or the

reverse ; careless, slipshod and indifferent as to results? as he might be without actually becoming dishonest.

The criminal side of the moral hazard has ever been, and must continue to be, the chief disturbing element in insurance. All other risks can be provided for in the rate of premium to be charged therefor; but this *moral* risk which manifests its ubiquitous presence promptly, wherever opportunity occurs, has never yet been measured insurance-wise; and just so long as risks are written without due examination into the standing and character of the insured, as well as to the hazards of the risk itself, this unknown quantity will remain, for "it is opportunity that makes the rogue."

420. Mortgagee:—One to whom property, real or personal, is secured by a mortgage. He may insure his interest in the subject of the mortgage by a policy in his own name as mortgagee. Such an insurance is a collateral contract in which the mortgagor, or owner, has no interest. The mortgagee's interest is in the debt secured by the policy. In the event of loss the underwriters are entitled to subrogation of the securities to the extent of the loss paid under a mortgagee policy. (575).

421. Mortgage Clause:—An agreement between the company and the mortgagee—to whom the loss has been made payable under a mortgagor's policy,—that in the event of the policy becoming void during its currency, from any act or omission of the mortgagor, it shall nevertheless, continue valid as to the interest of the mortgagee, who from that time will become the insured under this clause. (*Form 76*).

Although this clause is usually made a portion of the mortgagor's policy, it is out of place there, for it is an

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ex parte agreement between the company and the mortgagee, which cannot by its own terms, become operative until all interest of the mortgagor in the insurance shall have finally and completely ceased, and hence can form no part of his agreement with the company.

422. Mortgagor:—A mortgagor's interest is in the property so long as his right of redemption remains. When the owner insures in his own right and assigns the policy to the mortgagee as security, the underwriter is not subrogated to the mortgage securities; while the right of the mortgagee to recover in the event of loss, cannot exceed that of the mortgagor under the terms of the policy. When the mortgagor pays the premium, any insurance money inures to his credit as against the mortgage.

423. Motive-power:—The immediate means by which machinery is propelled, as water, heat, steam, electricity, animal, etc.

424. Mungo:—Milled cloth ground up for use. If made of clean material it will not ignite spontaneously. But if poor oils be used, and the rags be not clean, or if mill-waste be mixed therewith, it is liable to spontaneous combustion.

425. A Mungo Machine:—Contains about six hundred teeth, revolving some nine hundred times a minute. Should a tooth break, or a nail or piece of wire get into the machine in motion, its velocity will throw it out red hot among the flocks, and cause combustion if not discovered in time.

426. Mutual Insurance:—See "Insurance."
(336).

427. Naphtha:—A limpid, bituminous and exceedingly volatile and inflammable liquid, made from coal-tar, the vapor from which is very explosive. It is used for out-door lighting, burning by vaporizing, without a wick. It is usually stored in carefully made, riveted, wrought-iron tanks to prevent leaks. When stored in warehouses, there should be full ventilation, and open lights therein should be strictly forbidden. (*Forms 94-97*).

Naphtha is also used for making *cements* and *resin-varnish*. Where these are used, only one day's supply of either is permitted upon the premises at a time; and the manufacture is to be done away from the factory building. The cements and varnish are to be kept in secure metal cans. (*Form 99*).

428. Negligence:—Carelessness, negligence and unskillfulness are transgressions of some established but indefinite rule of action where some discretion is left to the actor. There is no remedy under the law for losses caused by negligence of servants or of the master himself, not amounting to fraud or design; yet *gross negligence* on the part of the party to whom money was payable in case of loss is presumptive evidence of fraud; but the proof must be strong, and the burden will be upon the company to prove it. (414).

429. New-for-old:—The old marine principle of "one-third-off, new-for-old,"—that is, a deduction of one-third from the cost of repairs in consideration of the old materials being replaced by new, where the vessel is over one year old. This principle has never been recognized in the fire branch in the reinstatement of buildings. (513).

430. Night and day policy:—The following forms of policies were used for a short time by some of the New England offices some time since, viz:

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431. Night Clause:—"This policy is to cover all fire risks from 6 o'clock P.M. to 6 o'clock A.M. only, allowing the privilege of working the machinery all night; other policies to cover during the day."

432. Day-Clause:—"This policy is to cover all fire risks from 6 o'clock A.M. to 6 P.M.; other policies to cover during the night."

Although seemingly of doubtful expediency, and suggestive of many difficulties in the adjustment of losses, these forms were written by good companies, though they have disappeared of late.

433. Night-work:—The question of night-work in manufacturing establishments has excited considerable discussion among fire underwriters; the customary practice now is to run the machinery extra hours, in whole or in part, up to 10 o'clock at night, without extra charge. And for such manufactories as, from the nature of their business, are compelled to run all night, the minimum extra charges are: for all night permits, 50 per cent. of the annual premium; for permit to run until 12 o'clock midnight, 20 per cent. of the annual premium; and for extra hours for periods less than one year, shorts rates of the above premium. (227).

434. *It is customary* when running *extra-hours*, especially all night, to put on fresh hands, who are regarded as an element of safety; while men who have been working all day without intermission cannot be relied upon for the care and watchfulness essential to the safety of the premises at night. Without such change of hands, the risk should be uninsurable. (*Form 88*).

435. Nitrate of Soda, and other similar substances are especially excluded from insurances on merchandise.

Nitrates should be stored in separate buildings with every facility for thorough ventilation. Under certain conditions of mixture with other materials, explosive compounds are formed of a highly hazardous character; in fact, water poured into a building to extinguish fire would often cause the formation of explosive gases.

436. Non-concurrent policy:—Covering the same with other subjects, for the same owner, in the same location, without reference to the proportions, amounts, or terms of other policies upon the same subjects, whether by the specific or general form of policy. This form is sometimes called “mixed.” (147).

437. Non-hazardous:—A risk not involving the ordinary or average hazard of property, is so called. (291).

438. Notice of Loss:—All policies require that persons sustaining loss under insurance shall *forthwith* give notice to the company of such loss. It is uniformly held by the courts that notice, as required by the policy, is a condition-precedent to recovery in any case, unless waived by the insurer. That the omission to give notice was not a matter to be compensated in damages, but a *bar*, absolutely, to all claims. If the condition requires that such notice must be in writing and to the company, parol notice to an agent will not fill the requirement. And such compliance must be proved to the satisfaction of the jury.

439. Notice of Other Insurance must be contemporary with the taking out of such other policies, and the assent of the company, or its duly authorized agent, must be indorsed upon the policy, or the policy will be voided for breach of condition. (12; 449: *Forms* 82-84).

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440. Notice by mail:—If within the requirements of the policy as to time, and properly addressed, will be a full compliance therewith.

441. Oasts: Oast-houses:—Where hops are dried by means of kilns. (531).

442. Occupancy:—The act of holding possession of premises. The word *occupancy* when applied to buildings, implies the actual use of such building for the purpose for which they are described as occupied; and vacating the house by removing the principal part of the furniture, and not using it for the general purposes of a dwelling house—although a bed may be left in the house and a man sleep in the building every night,—is an unoccupancy that voids the policy.

443. Offal:—The shavings, saw-dust and other refuse of wood-working establishments are called offal.

Offal-chutes: passages or chutes through which such offal reaches the offal or shavings room. (169.)

444. Omnibus-blocks: Two or more buildings of brick or stone under one continuous roof, the internal division walls, and sometimes the external, rising only to, and not through, the roof; and having openings or communications in one or more stories; and sometimes with a public hall occupying the upper stories; such buildings rank only a C, at the best. (134).

445. Open policies:—An *open* fire policy is one where the value of the property at risk is open to proof after a loss, in contra-distinction to a *valued* one, wherein a value is placed upon the property at the time of making the contract. (659).

446. Open-fire, or Running policy:—A form embracing a series of separate entries made from time to time, on one or more classes of risks, in one or more localities, for such time, usually short, and amounts, at such rates as may be designated at the time of entry ; being in fact a new and distinct insurance for each entry. These entries are usually made upon a ruled form in a book, in which is pasted the form of the policy duly executed.

447. Open Transport policy:—This is in most particulars, a counterpart of the *open fire policy*: the only difference being that the latter covers property *at rest* and against fire only ; while the transport policy covers the goods during their transportation from place to place, not only against fire, but from all other dangers of transportation ; as from water, breakage, theft, etc. In all other respects they are governed by the usages as to open fire policies. Indorsements, when offered, may be accepted or refused, unless by special agreement a specified time has been fixed within which such indorsements may be made, and with this exception, no loss will be paid unless upon an entry already made upon the policy.

448. Open-contract Transport policy:—Is where the company agrees to underwrite, and the insured agrees to report for entry, and pay premium upon *all shipments* made to, or invoices of purchases received from certain agreed points. It differs from the open transport policy only in the fact that the liability of the company commences from the shipment of the property at or to any of the designated points, whether notice of such shipment has been given, or indorsement made or not. Hence notice of shipment and notice of loss may be simultaneous, and binding upon the company.

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449. Other insurance:—The same as “additional” insurance. (12). If taken without notice to and consent of the first insurer, it voids the policy. Sometimes the clause against other insurance reads “*whether valid or not.*” Under such stipulation the first policy will still be void without consent indorsed thereon, even though the additional policy be void when taken out from any cause. (439; *Forms 81-84*).

450. Over Insurance:—Over insurance exists when the sum of the insurance exceeds the value of the property at risk; a contingency that should be strictly guarded against, as every insured should hold some portion of his risk uncovered as a stimulus to care and watchfulness in its protection. This rule is relaxed, however, in cases of large commercial houses which must have ample insurance at all times.

451. Over-valuation:—Is when the value of the property at risk is less than the amount stated in the application. Such over-valuation will void the insurance only when it can be clearly shewn to have been made with fraudulent intent.

452. Ownership:—An owner is one who has dominion of a thing, real or personal, corporeal or incorporeal, to the exclusion of others; and which he has a right to enjoy and do with as he pleases, so far as the law permits. Hence ownership is an absolute title.

453. Packing Houses:—A name applied to beef and pork packing establishments. (3).

454. Paintings: Pictures:—When found in dwellings, and of any especial value, should always be

"Scheduled," with the amount covered upon each duly stated. (537).

455. Pantehnicon:—A building in which every species of workmanship is exposed for sale. A very hazardous risk.

456. Papier maché:—Articles made from paper pulp, or continuous layers of paper pasted or glued, and pressed into molds of the requisite forms. This material is applied to many purposes, even to railway car-wheels, railway ties, etc.

457. Parapet Wall:—A wall rising above the roof duly coped with stone. (159).

458. Parol Contract:—A verbal agreement. Such a contract, when made by a duly authorized agent, is, in the absence of any statute law to the contrary, binding upon the company; but an acceptance of the offer as made without any change must be signified, with a tender of the premium within a reasonable time, or the agreement will be void.

Insurance agreements of this character may be called a contract to issue a policy rather than a contract of insurance. Any portions of such agreement, not appearing in the policy when issued, are held to have been waived, unless error can be proved, in which case the policy will be subject to reform for any error of fact. (32: 565).

459. Partial Insurance of value:—Where the owner of goods covers them to the extent of one-third or one-half of their value, at the same rate of premium that he would pay upon three-fourths value or more, he does not give the company a premium adequate to the increased

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risk of loss ; as in nearly all cases of fires, where there is a low average of partial insurance only, the loss on this minimum amount will always be total as to the insurance, leaving no salvage to the insurer. A little examination into the subject will show that the premium in such cases is not proportioned to the risk. It is for the interest of the company, therefore, to secure, up to a certain limit, a full insurance upon the property either by insurance direct, when the circumstances of the insured will permit, or by application of the *graded co-insurance clause*, where the rates are graded to the relative value of the property covered, thus compelling full insurance and an adequate rate. (43; *Forms 70, 71*).

460. Participation Insurance:—A system of insurance where the policyholder shares in the profits of the business but not in the losses ; for which privilege an additional charge is made in the rate of premium.

461. Patterns:—A model ; or anything cut or formed into shape of something to be made after or from it. In founderies there are always numerous patterns of wood or iron from which machinery, etc., are cast, which are by the insurance companies divided into *two* classes, viz., those in "*daily use*" for regular purposes of the business, and those made for some special, temporary service, and paid for by the party for whose service they were made. The first named have a specific value and are deemed to be insurable ; the latter have no insurable value, as they have served the purpose for which they were made, and have been laid aside. *All* patterns should be written upon only by "*Schedule*," with the limit of the company's liability upon any given set. (537).

462. Patent filler:—A very inflammable paint, of the consistency of putty until thinned with benzine, and used by coach and carriage makers for "filling" the grain of the woods used in making carriage bodies.

463. Pawn-brokers:—From the peculiar nature of the pawn-broker's business, particular forms of policy are requisite to meet the case. The measure of damage to the pawn-broker will be the amount advanced, as evidenced by the pawn-ticket, and any accrued interest thereon. As a bailee having possession of the property, he may insure to the full value thereof. And in the event of loss holding any amount recovered beyond his own immediate interest, in trust for the owner. But it is neither prudent nor desirable to grant full insurance to such parties; their stocks are usually a heterogeneous mass of commodities, of all degrees and conditions, from rags to diamonds, upon which the adjustment, in the event of loss, would be an almost interminable and unsatisfactory undertaking.

464. Payment of premium:—See "Premium." (485).

465. Perpetual Insurance.—As the term indicates, perpetual insurance is a continuous insurance, without limit as to time, upon the deposit of a certain amount of money, which is usually fixed at about two annual premiums for such risks, and is based upon the estimated average of many years at compound interest; such interest furnishing the funds for expenses and payment of losses. These policies are issued only upon selected risks, as brick or stone buildings, ground-rents, mortgage or other liens upon real property. In the event of a total loss

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of the property covered, the insurance is thereby cancelled on payment thereof. In cases of partial loss only, the amount paid for such loss is deducted from the amount of the insurance; but the deposit, or so much thereof as may be necessary to meet such partial loss, is *sunk* for the benefit of the company. Upon cancellation of the policy the deposit money, or what remains of it, is returned, less ten per cent. This plan of insurance is cheaper to the insured than term insurance; the cost to the company is about the same, though not usually adequate at the commencement, but becomes remunerative by length of time and absence of losses.

466. Personal property:—The right or interest which a person may have in things personal, movable, or separable from the realty. A house on leasehold property, built by the lessee is personal property. (452).

467. Photograph Gallery:—The hazards attending a photograph gallery may be summarized as follows:—the preparation, application and drying of collodion, and the making, application and drying of varnishes; inflammable stocks on the shelves of the dark-room, including collodion, gun-cotton, acids, varnishes, benzine, ether, naphtha, turpentine and essential oils, all of which are more or less inflammable, and vapor from them always pervades this dark-room where no white light can be permitted, thus restricting ventilation. In small establishments, where but limited stocks are kept on hand, the hazard is not so great. (*Form 22*).

468. Pianos:—While pianos, organs, and musical instruments generally, will be covered in dwellings under the term "household furniture, useful and ornamental,"

yet if of value, it were better to place a specific amount upon each instrument; the piano-stool need not be mentioned, as it will be covered under the term furniture.

469. Plant:—The tools, implements and fixtures necessary to carry on any trade or mechanical business.

470. Plaque:—A French name for a badge or house-plate. (83).

471. Plate; Plated ware:—The word *plate* has been usually held to embrace all articles for household purposes made of gold or silver; but the word does not include plated-ware, or articles of personal adornment. (*Forms* 33: 42).

472. Plate-Glass:—A superior quality of glass usually cast in large plates, and used for doors, windows, cases, and mirrors. It is never covered by a policy when exceeding the specified dimensions of three feet square, without specific mention. Common glass, even when reaching the limit as to size, is never considered as "plate-glass." (*Form* 20).

473. Plate-Glass Insurance:—The covering of plate-glass from loss by accidental breakage, but not from loss by fire, earthquake, or during alterations and repairs to the building. A plate-glass policy is not a co-contributor with a fire policy covering plate-glass.

474. Policy of Insurance:—By 10 Annæ, chap. 26, sec. 68, A.D. 1712:

"All deeds, instruments and writings for payment of money upon the loss of any ship or goods, or upon any loss by fire, or for any other purpose for which any writing commonly called a policy of assurance or insurance

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is or hath been usually made, are to be deemed "policies of assurance."

The Stamp Act. A. D. 1870 says: "The term 'policy,' includes every writing whereby any contract of insurance is made or designed to be made, or is evidenced, not including Sea insurance."

"The policy of insurance is but the form and embodiment, the expression and evidence of what has been agreed upon, adding nothing thereto and detracting nothing therefrom."

475. A policy of insurance is not an insurance upon the property covered thereby, but simply an agreement to indemnify the policy-holder against loss by the destruction of such property by fire.

476. The requisites of a fire insurance policy are :

1. The name and residence of the insurer.
2. The name and residence of the party insured.
3. The peril or hazard insured against.
4. The subject or interest covered by the insurance.
5. The location of such subject or interest.
6. The maximum liability assumed by the insurer.
7. The premium, or consideration for the risk.
8. The duration of the contract.
9. The date of commencement and termination of the contract—day and hour.
10. The conditions and stipulations of the contract.
11. The subscription and counter-subscription of the contract.
12. The date of such subscription.

As definiteness is a primary essential to an insurance contract, the policy *must* contain all of the above requisites to be valid and binding.

477. *All policies are considered in law to be either "on interest," or "wager." And to be either "open," or "valued," as to the amount written,*

An "*Interest*" policy represents a real, substantial, assignable and insurable interest in property covered by the policy, subsisting in the insured at the time of the issue of the policy, and at the time of any loss thereunder.

A *Wager* or *gaming* policy is pretended insurance, where the policy-holder has no real interest at stake in the subject of the insurance, and, consequently, he can sustain no injury from any loss thereof. Such insurances are now void in law. (611).

478. An *Open policy* is one where the value of the property at risk is open to proof after loss. (445).

479. A *Valued policy* is one wherein an exact value is placed upon the property covered, at the time of the insurance, and such fixed value will govern the adjustment in cases of loss. The value, being fixed definitely by agreement, cannot be questioned, except in cases of fraudulent over-valuation. The term used to designate a policy of this kind is: "valued at" which term, from its extended meaning, should never be used, except where the value is fixed beforehand. (659).

480. Policies are written in various forms, without reference to the subject matter of the insurance, which may be classed as *Specific* and *Compound* or *Collective*. (143). And then again, with reference to other insurances upon the same subjects, may cover *concurrently* (147) or *non-concurrently* (436) with each other. These will be explained under their several titles.

481. Pompier Service:—A name given to a portion of Fire Brigades in the larger cities, which climb buildings by means of short ladders for the saving of persons for whom retreat otherwise is cut off.

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482. Preferred Stocks:—The National Board of Fire Underwriters during its day, classified ordinary merchandise into two classes, *preferred* and *non-preferred* stocks. Among “preferred” stocks, so called because of their less liability to damage, were boots and shoes, clothing, carpets, groceries, dry goods, flour and provisions, country store stocks, gents’ furnishing goods, hats and caps, heavy iron stocks—not hardware or stoves—sewing machines, saddlery and harness and stocks of wool. All other stocks were classed “non-preferred.” (563).

483. Preliminary proofs of Loss:—In the event of a fire loss under insurance it is incumbent upon the insured to make a statement of particulars of his loss as indicated among the conditions of the policy. This statement is termed a *preliminary proof*, to be supported by supplementary proof in the form of invoices, vouchers and other documents going to sustain the claim as made. Such proofs and vouchers must be “delivered in” within a “specified time,” and contain as full “particulars of the loss” as circumstances will admit.

Such proofs, however, cannot, in any way, be made proofs for the claimant either as to the amount of the loss or value or existence of the property at risk, all of which are subjects of direct proof when objected to.

484. Premises:—A legal term derived from the familiar language used in deeds descriptive of plots of ground conveyed. The boundaries are described, and with the adjuncts, constitute the premises. Powder, on shipboard, has been held to be “on the premises” within the terms of the ordinary fire policy.

485. Premium:—The consideration for the insurance. It must be set forth in the policy, both amount

and the rate per cent., which must be fixed before the policy will attach. (476).

If the policy be delivered without demand for payment of the premium at the time, it raises the presumption that credit is intended. An agreement to give credit for premiums renders the policy valid and binding as against the company.

An agreement by an agent to be responsible to his company for the premium is a payment of the premium, as between the company and the insured. (465).

Where an agent gives credit for the premium, and makes a return of the policy in his account with his company, such premium is paid ; but the agent has a lien upon the policy for that amount, only so long, however, as he retains the policy in his own hands : if given up to the insured his lien goes with it, and in the event of loss, he cannot stand in the place of the company and claim payment out of the sum due to the insured under the policy.

486. Preservation of property after a fire :—Under the requirements of the policy it is the duty of the insured to use his best endeavors in saving and protecting the property from damage at and after the fire ; and in case of failure so to do, the company will not be liable for any damage arising from such failure.

The impression that the property must remain after a fire just as the flames and the water leave it, for the inspection of the adjuster, without making any effort to save it from further damage, is a mistaken though very common notion among insureds. They should proceed in the care of the property as if no insurance thereon existed, as required by the policy condition.

487. Price :—See "Market Value." (401).

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488. Principal:—One who being competent to do any act for his own benefit, or on his own account, confides it to another person to do for him. As such principal he is liable for the negligence or unskilfulness of his agent in transacting the business of his agency; but he is not liable for the wilful acts or wrong-doings of such agent. (25: 26).

489. Printed conditions of the Policy:—Where the written portion of the policy is inconsistent with the printed conditions thereof, the latter must give way, because the words superadded in *writing* are entitled to have greater effect attributed to them than the *printed* words, inasmuch as the written words are the immediate language and terms selected by the parties themselves for the expression of their meaning, and are necessarily inserted from design and at the time. The printed words may not express the intention of the parties; the written words certainly do, and hence should control.

490. Printed descriptions of the subjects of insurance are now used in lieu of writing, and are, by custom, held to be the written portion of the instrument. The following form is usually printed upon the slip:

“To attach to, and form the written portion of policy
No.....of the.....Agency of the
.....Insurance company at.....
Date..... Agent.

491. Produce:—That which is made, formed or produced by nature, as fruits, grain, ores, etc. (37).

492. Profits; Insurance of:—Profits briefly construed, are any excess of value of returns over the value of advances upon any given subject of commerce.

The word *profit* in commerce has reference specially to ownership of the property from which such profits arise.

Brokerages and Commissions paid to factors are also in the nature of profits.

An insurance upon *profits* is based upon "expected or imaginary" income, yet to accrue from sales of merchandize or from commissions upon such sales, as distinguished from "realized profits," those already accrued. Such "expected" profits contain an insurable interest and hence are insurable; but the policy must state that the profits are to arise upon a certain undertaking, as sales, commissions, etc., as a policy upon goods alone will not cover the accruing profits thereon, if any. (210).

494. Prohibited Articles:—All fire policies now contain a clause against the keeping of certain classes of extra-hazardous property upon the insured premises without special permission indorsed upon the policy. This clause has been construed more or less strictly by the Courts; but the general rule reached is, that a reasonable quantity of any of the excepted articles may be kept where it is properly auxiliary to, or belongs to the business, or use of the building; and such use being common to the risk should be known to the underwriter.

495. Property at risk:—The total value of all of the property covered, in whole or in part, by insurance. Thus, a policy of \$5,000 upon property at risk, value \$50,000, will cover *any portion* of that \$50,000 value, up to \$5,000, in the event of loss. (459).

496. Proper Vice:—A fault presumed to proceed from the thing itself when it is of a nature to spoil or perish. Physical corruption that corrodes or spoils and destroys merchandise; spontaneous heating or combus-

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tion; molding, spotting, discoloring, etc., unless resulting from fire in some way, are not at the risk of the underwriter. The burden of proof will, in such cases, rest upon the insured to show that the injury was the result of accident.

497. Proposals for Insuring:—Were certain forms used in the early days, setting forth the advantages of the office, a copy of which was sent out with the policy, either on the same sheet, or a separate one, wafered to the policy.

498. Pro-rata Clauses:—The pro-rata principle, as applied to fire insurance, tends to equalize the proportions of the risk between insurers and insured by compelling the latter to bear a certain share of any loss, in the ratio that the amount of the direct insurance thereon bears to the total value of the property at risk. What are known as the "Average Clause," "Co-insurance Clause," "Contribution Clause," "Removal Clause," are all pro-rata clauses calling for co-contribution between the parties at interest. See these several clauses in the Policy Form Book. (69: 74).

499. Pro-rata Clause: Graded:—This clause reads as follows:

"It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on the property described by this policy, to the extent of at least eighty (80) per cent. of the actual cash value thereof; and that failing so to do, the assured shall be a coinsurer to the extent of such deficit, and to that extent shall bear his, her, or their proportion of any loss."

The same clause is used for any other .ess ratio of insurance to value, but with each decrease in value covered the

rate of premium is increased in the following ratios with co-insurance clause operative, viz. :

If the rate for 80 per cent. of value be say :		\$1.00
Rate for 70	"	will be
" 60	"	.....1.10
" 50	"	.....1.20
		.....1.40

(Forms 70: 71).

500. Provisions:—This word embraces food, victuals, fare, provender,—any thing to eat for man or beast.

501. Public Authorities:—Fire underwriters are liable for the loss of buildings under insurance, when blown up with gunpowder or demolished by the Public authorities, to stop a conflagration. The remedy of the insurers will be against the municipalities or town authorities to the amount paid on the policies.

502. Public Enemies:—Losses caused by “enemies of the country” embrace such as may be caused by acts of warfare committed by States or their citizens with which the country may be at war; and by pirates on the high seas. Thieves, robbers, insurgents and rioters are not included among “public enemies.”

503. Quarter-day payments of premium:—The custom of paying premiums on regular quarter-days still continues in England, though payments in all cases on those days are not obligatory. The premiums fall due and are payable in England, Ireland and Wales as follows :

QUARTER DAYS.		PAYABLE.
Lady day,	March 25th,	April 9th, next.
Midsummer,	June 24th,	July 9th, “
Michaelmas,	Sept. 29th,	Oct. 13th, “
Christmas,	Dec. 25th,	Jany. 9th, “

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504. In Scotland, the quarter-days are :

Candlemas,	Feb. 2d,	Lammas Day,	Aug. 18th,
Whitsuntide,	May 15th,	Martinmas,	Nov. 11th.

505. "Queen's Tobacco Pipe":—A huge incinerator, located in the centre of the Tobacco warehouses in London Docks, and kept in operation day and night, wherein all confiscated merchandize is burned. Tons of ashes, the product of such burnings, are sold at auction annually, for manures and other purposes.

506. Questions unanswered in the application are held to be waived. (47).

507. Quo-Vis:— Or, "Whichever you please." See "Ship or ships." (594).

508. Rags:—Are collected by country store-keepers in considerable quantities, and if ventilation of the heaps is not good, spontaneous combustion will ensue. Rags have burned up many stores from careless handling and ignorance of the danger lurking in them. Woollen rags are made into "mungo" and "shoddy," while cotton and linen rags are made into paper. (424).

Rag-wool. A term applied to ground mungo and shoddy.

509. Range of the policy:—A certain portion of property usually under the protection of a floating policy. A greater ranged policy is one covering all that a lesser ranged one does, with something additional.

510. Range of buildings:—Buildings in close proximity, usually adjoining. To constitute a *range* it is not necessary that the buildings should stand in a compact row. If *frame* buildings adjoin around the corner, or by rears, or stand thirty feet or less apart, they are to be regarded as a range. (185).

511. Rates:—The rates or percentage charged as premiums for insurances. (590).

512. Reform of the Policy:—The correcting of an error in the policy. Errors of fact and of law will be corrected by Courts of Equity upon due proofs of such error; and to that end parol evidence may be admitted to explain an ambiguity or correct a mistake. (416).

Where an agreement for the policy, and the policy as written vary, or where a mistake has been made in filling up the policy, a Court of Equity will compel a performance of the original contract and correct the mistake. But the proofs of such agreement must be conclusive: if any matter be left in doubt in the whole evidence the bill will be dismissed. (208).

513. Reinstatement:—The terms of all fire policies provide for the rebuilding or reinstatement of burned property in lieu of payment in cash, at the option of the company. This option relieves the fire branch from the necessity of accepting an abandonment of the property, as in the marine branch (1), for there can be no abandonment where the company has the option of reinstatement. In reinstating *personal property* the substituted articles must be of equal quality and value as those burned; and in rebuilding the new edifice must be equal in all particulars to the old. The determination of the underwriter to rebuild, at once changes the insurance policy into a building contract, at the expense of the company. For a restriction upon the right to rebuild, see "Fire Limits." (243: 429).

514. Re-insurance:—A contract which the first insurer enters into with a second insurer, in order to

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relieve himself from an over-line of insurance upon any risk, thus transferring such portion of the risk to such second party called a "reinsurer." Re-insurance has been confounded with "double-insurance." While both have reference to the same risk, the first, reinsurance, is a contract made by the reinsured (original insurer) to cover the whole or a portion of his liability; the second, double insurance, is a contract made by the original insured to increase his own security. In double insurance the co-insuring companies all share in the loss pro-rata: in reinsurance the reinsurer pays all that he reinsures for, whether it be all or a part only of the original insurance,—without reference to the amount retained by the reinsured. Hence, *Reinsured*, one who is reinsured. *Reinsurer*, one who reinsures. (*Form 74*).

515. Re-insurance Reserve:—Portions of the premium receipts of companies required by law to be set apart for the purpose of securing the unexpired risks, as reported in the annual statements of the companies: being 50 per cent. of all annual premiums or less, and pro-rata for all terms in excess of one year. (533). See table of "Constant Multipliers." Appendix.

516. Removal of property:—When loss or damage is caused by removal of goods from a building not yet on fire, but seriously threatened thereby, to preserve them from total destruction, such removal must be actually necessary, and the danger must be imminent, or the insurer will not be liable. Fear of a peril not inevitably or imminently impending may not throw loss upon the underwriter, the insurance not being against apprehension of a fire. When any damage has been sustained by removal for which the insurer is liable, the

cost thereof will be borne pro-rata by the company and the insured as the amount of insurance bears to the value of the whole property.

517. Renewal Receipt:—Continuations of expiring policies are usually made by a *Renewal receipt*, bearing the signatures of the company officers and the counter-signature of the agent, with date, etc. Such renewal, being a repetition of the contract as previously existing, carries with it all indorsements upon the original instrument. If, upon renewal, any changes are to be made in the policy as written, a new policy should be issued to prevent misunderstandings. Indorsements should never be made upon renewal receipts. By many companies renewal receipts are numbered in consecutive order of date as if new insurances. (*Form 87*).

518. Rent and Lease policies:—Insurance intended to indemnify for fire losses on rental of property, the one to the owner, the other to the lessee in possession. (519).

Rent policies are issued directly to the owner of property occupied by tenants, in amounts not to exceed the annual rental at the time of insurance.

519. A Leasehold policy secures to the lessee of certain specified property any difference in value between the sum he may pay as rent for the leased premises and the value of the property to him, for occupancy, either for his own purposes or in the increased amounts he may receive for rents from his tenants. The longer the term the more valuable the lease; and as it may be determined at any moment by burning, the amount covered should be the value of the lease. If a less sum

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be covered, the co-insurance clause should be inserted in the policy. (364-5).

Neither rent nor lease policies have any connection with the value of the buildings as such.

520. Representation:—In fire insurance a representation is the communication of any facts or the making of any statement by the applicant, tending to influence the insurer in his estimate of the character and degree of the risk offered, and is to be construed according to the fair and obvious meaning of the words used. It is equivalent, not only to an express statement of present facts, but also of all the inferences, naturally, obviously and of necessity arising therefrom. To be binding it must be material, and to discharge the insurer, must be false, wholly or partly, in fact and in the event. (47).

When representations are qualified by the expression "to the best of his knowledge and belief," if it turn out incorrect it will not avoid the insurance unless proved to have been fraudulently made; but such statement will be considered fraudulent, whether knowingly made contrary to the facts, or in ignorance of them, and without reasonable grounds for belief. (409: 616).

521. Repugnancy:—A disagreement or inconsistency between two or more clauses of a written instrument. Such repugnancy in material matters in an insurance policy condition renders the latter void. Insurance means indemnity to the insured for honest loss, any condition in the policy militating against such indemnity would be repugnant to the intent of the instrument, and hence void the insurance. (41).

522. Requisite Repairs:—Such *repairs* only as come within the ordinary acts of ownership, may be made in and about the building within the customary fifteen days during any one year, usually provided for by the terms of the policy. For any thing beyond, or for *alterations*, consent of the company should be obtained by indorsement upon the policy. (41: *Form 32*).

523. Reserve Fund:—Certain portions of the yearly income set aside as a reserve to meet unusual calls for losses or other contingencies. (515).

524. Residence:—Literally, the act of residing or dwelling in any place; but frequently misapplied to designate the dwelling itself. (196).

525. Retail Stocks:—Stocks of goods from which articles are sold singly or “by the small,” as distinguished from wholesale or jobbing stocks. (*Form 16*).

526. Return Commissions:—That portion of the agent's commission returned to the company on the cancellation of current policies.

527. Return Premium:—That portion of unearned premium due upon the cancellation of a current policy, for the unexpired term. If such cancellation be made by the company, the return premium is estimated pro-rata for the time expired; but if the cancellation is by order of the insured, the return premium is estimated at “short rates” for the time expired, as if originally written for that period only. See “Short Rate” Table. (Appendix.)

528. Rider:—A supplementary stipulation attached to a policy in the form of a written or printed slip; an indorsement. (78: *Form 20*).

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529. Riot:—A tumultuous disturbance of the peace by three or more persons. By the terms of all fire policies the insurer is not liable for loss or damage by fire caused by rioters. (502).

530. Risk:—The hazard or peril insured against; and considered within itself, consists of such causes of loss—not chargeable to the insured—as in the aggregate tend to make up the peril covered by the insurance. "Risk is the mother of profit." (367).

531. Rolling Stock:—A term applied to locomotives, cars, and other vehicles on wheels. It is also applied to carriages and wagons in livery stable policies. *Vehicles* include rolling stock, sleighs and sleds. (*Form 62.*)

532. Roofs:—Iron, copper, tin, slate, tile and shingles laid in mortar, are called fire-proof. Gravel, composition, having felt or felted paper for a base, and shingles are not considered fire-proof. Dry-hair felt is, however, said to be incombustible. Plastic slate and asbestos roofing are good fire resistants, but are not entirely incombustible.

533. Royalties:—A share in the profits; a fee paid to patent-right holders for the use of such patents; usually a percentage upon the sales. Such fee is part of the cost of manufacture of any article subject to royalty. The income from royalties have been covered by insurance, like other profits. (492).

534. Rumor:—A general public report of certain things or events without any certainty as to their truth. Rumors upon the streets of loss occurrence are not such notice to the companies covering upon such losses as the policy condition requires. (438).

535. Salvage:—This term was originally applied solely to the compensation paid for services rendered by salvors, other than the officers and crews of disabled vessels, in saving property from actual or impending danger. Subsequently the term *salvage* came to be applied more appropriately to the remnants under a “constructive total loss,” and the compensation paid to salvors was distinguished as “salvage expense” and made subject to average among the underwriters.

536. Under the fire insurance policy the term *salvage* is always used in the sense of “safe” or “saved,” and is applied indiscriminately to both property at risk, and the insurance covering it. As connected with the former, property, it means that portion, large or small, of such property saved, or which remains after the fire in a sound or damaged condition. As to the policy, it has especial reference to any difference between the amount of insurance thereon and the amount paid for loss thereunder, as being so much money saved. *Salvage* is a leading factor in the estimate of rates.

537. Schedule of Property:—When articles of uncertain value, as paintings, sculptures, hotel furniture, patterns in foundries, etc., are to be covered at a maximum price in the event of loss, it is customary and exceedingly desirable as well as proper to prevent all dispute, to enter them upon a *Schedule*, with the agreed price, which is attached to and made a part of the policy. The following phraseology in the policy will meet the requirements in such cases, viz. :

“As per Schedule No. (same as policy) hereto attached, signed by the assured, and made a part of this policy, and to which reference is to be made in case of loss or

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damage by fire to the property therein named. No loss on any articles therein specified to exceed the sum or sums thereto severally affixed by the assured."

The following form will fill the requirements of the policy :

SCHEDULE.

No.....

Property of....., situated at....., and covered by policy No .. of the.....Insurance Company, of....., to which this Schedule is attached and made a part thereof, and to which reference is to be made in case of loss or damage by fire to the property therein named.

No loss on any articles therein specified to exceed the sums thereto severally affixed. Such value being estimated by the assured.

No.	Name or designation of Property.	Price.

Date..... Insured.

The date attached to the Schedule *must not be later than that of the policy* ; it may be earlier if made before the policy was issued.

538. Schedule Rating :—A system of affixing rates by starting from a *basis rate* fixed as a standard for each class of hazards, and adding thereto, as per a fixed schedule, for all deficiencies below such standard ; and on the other hand giving the insured credit to the same extent for all improvements in the risk as it approximates the requirements of the standard of its class. (90).

539. Sewing-machines :—Being now articles of common use in families of both high and low degree, sewing machines will be covered under the term "household furniture," and especially so if the additional term

"useful and ornamental" be used. High priced machines should have a specific amount placed upon them to prevent dispute as to values in the adjustments of loss.

540. Shafting and hangers:—Are necessarily covered under the term "machinery," without specific mention, because machinery in a factory could not be moved without their intervention. (386).

541. Sheriffs and Constables having property under attachment in their possession have an insurable interest therein to its full value while so held.

542. Ship or Ships:—Or insurance *in Quo Vis*. The Insurance Ordonnance of France, A. D. 1681, quoting from *Le Guidon*, says:—

"If the assured has effected an insurance on goods on board of 'ship or ships,' and afterwards declares the names of the ships on board of which his goods are shipped, but does not specify the precise sum which he means to insure on each ship, he may distribute this sum in what proportions he pleases (*quo vis*), among the different ships; and if any of them are lost on the voyage the assured is entitled to claim from the underwriters for the full value of the property shipped on board of the lost ships, although the value of the cargoes brought in those ships which have arrived exceed the whole amount of the insurance."

543. The same rule was held good in England as long since as A. D. 1794, where a new trial was refused because "the legality of a policy on 'ship or ships' was too well established, both by usage and authority, to be disputed."

In the doctrine of "ship or ships," we find the rule of adjustment of compound policies in the fire branch.

544. Short Insurances:—For periods less than one year, are usually made upon merchandise which is

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expected to be held on hand for a limited time only in some warehouse, and usually under "open fire policies" for periods ranging from one day to several months, or for "time open" or "undeclared" (*Form 20*), that is until removed, when the accrued premium is estimated for the time at risk, at the customary short-rates. (547: 585).

545. *Short Insurances upon Buildings* are, upon general principles of inexpediency, usually discouraged by underwriters except where the parties and the circumstances are well known and understood.

546. *Upon Buildings in course of Erection* short insurances, renewable from time to time until completed, are always desirable, when issued to the *owner*.

547. Short-Rates:—By usage among underwriters, what are known as short-rates are charged upon all risks having less than one year to run, for the reason that the labor and expense consequent upon issuing a policy for five days are just as great as for five years; and as in issuing long-term policies a reduction of rates is made, so in short-term insurances the rate is proportionally increased. See "Short-Rate Table." (Appendix).

548. Show-windows:—Goods damaged by fire, in *show-windows*, will be covered by a policy upon the contents of the store, unless specifically excepted therein. When there may be more than one policy upon the stock, and one of them makes an exception of stock in show-windows, and the others are silent upon the subject, the former will be exempt from contribution to any loss in such window, while the latter will be liable for all of the loss therein.

549. Signs:—Signs painted upon or attached to a building are not covered by an insurance upon the building. Fancy glass, or other signs, inside of the building, are neither fixtures nor furniture,—unless the latter, by a stretch of construction, as where paintings were held to be furniture—hence if of value, they should be specified to prevent dispute.

550. Silent Mills:—Mills or factories not operating. Whether *silent mills* are insurable or not, will depend upon the circumstances attending them. As a rule, however, unproductive property is undesirable insurance-wise. (*Form 51*).

551. Sixty days clause:—The delay of *sixty days* after the adjustment, before the company can be required to pay a loss, is an additional safeguard against the payment of fraudulent claims by affording that much further time in which to investigate suspicious losses, and to decide whether the claim shall be paid or contested. Under this clause all preliminary proofs must have been submitted to the company for action thereon before suit can be brought for the claim.

552. Slag-wool: Mineral wool:—A fleecy, cotton-like substance produced by a treatment by steam of the refuse slag of the iron mill, as it pours in a fluid state from the furnace. It is incombustible and is used as packing for railroad and other axle-boxes, where the bearings are heavy and the speed rapid, and for other similar purposes. (256).

553. Sold but not delivered:—See “Usual Commission Clause.” (605).

554. “Spark Risks”:—This expression applies to railroads, steamboats, and other similar risks where

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sparks are customarily emitted, endangering surrounding property. Such parties have an insurable interest in any property subject to danger from their sparks along the lines of their several routes. (*Form 48*).

555. Special hazards:—This term applies to a large class of the more dangerous fire insurance risks, such as wood-working, textile, metal, leather or cereal mills, factories or refineries, and all other processes of manufacture requiring fire heat: distilleries, chemical, oil and india-rubber works; all articles liable in themselves, or in their manufacture, to spontaneous combustion or explosion. Theatres, livery stables, drug stocks (wholesale), extensive retail stores, etc., etc.; in fine all trades or occupations, and all articles, either subject in themselves to frequent fire occurrence, or liable to total destruction from fire communicated to them, are deemed to be "specially hazardous." (*Form 20*).

556. Spoliation:—The alteration of a policy by another party than the insured or the insurer, and without their consent or privity, is termed spoliation, but does not render the policy void, for all such spoliations are invalid, and will not affect the insurance, even if material, if the original words can be restored with certainty. (95).

557. Spontaneous Combustion:—Is one of the most subtle and secret enemies that the fire underwriter has to deal with. It is the cause of a large proportion of the accidental fires, and not a few of those justly originating in incendiarism. It is well known that, under certain conditions, numerous articles of commerce are liable to generate heat enough to cause flame, either spontaneously or by contact with inflammable materials near by, and cause consequent destruction by fire. Greasy

rags, iron-borings in which oil has been dropped, woollen and cotton waste, coal in quantities, powdered charcoal, with others, *ad infinitum*, under certain conditions will ignite spontaneously. Many fires attributed to dishonest causes, or to causes unknown, doubtless have their origin in spontaneous combustion caused by a violation of the plainest principles governing the storing or handling of combustible and explosive substances.

An extended list of inflammable, combustible and explosive materials, with the various combinations in which they will ignite and explode spontaneously, would be an interesting and instructive study, and would save insurance companies large sums of money in the course of a year, upon risks refused in consequence of liability to loss from these causes.

558. Standard buildings:—A standard building, as classified for rating purposes, is the best constructed and most appropriate in all particulars for the purposes of its class: and upon such the basis rate of the class is predicated. (90: 134).

559. Standard Policy:—A form of fire insurance policy, adopted in Massachusetts and New York by legislative authority, is called the "Standard" or "Uniform policy." Such form of policy only can be used in either of those States. Though "standard," these two policies are far from "uniform."

560. Statuary and other works of art should always be specifically covered in the policy; and if there be several articles of the kind they should be "Scheduled," with the limit of liability attached to each. (537).

561. Steam Dryer:—Usually a wooden box of varying lengths and widths to fit its location, with coils of

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steam-pipes upon the floor inside, and a wire screen of some one-fourth inch mesh, forming a drying frame over the coils upon which the article to be dried is placed ; to this there is usually attached a *fan* for forcing air through the mass of stock upon the drying frame or screen, and thus aid in preventing spontaneous ignition of the material while drying.

Cotton, wool, hair, and other similar articles are sometimes dried in this manner. The danger arising from "steam dryers" of this kind comes from two sources : the accumulation of very inflammable gas generated by heat during the process of drying and confined in and under the stock upon the frame, leaving the mass in a very inflammable condition, especially if proper ventilation has not been maintained ; and secondly, from the constant droppings of particles out of the superincumbent mass upon the heated steam-coils beneath, and there taking fire and communicating flame to the combustible gas and the material itself. So dangerous were steam dryers considered that in 1867, the National Board of Fire Underwriters declared that their use "in or near" any mill rendered such mill uninsurable under its tariff. Their use has ceased entirely in the United States mills of any importance.

562. Steam-heating pipes :—That steam pipes will, under certain conditions, set fire to surrounding wood if in contact therewith is no longer a question, but from the many fire occurrences from this cause, has become a certainty. Hence where steam-pipes for heating or other purposes come in close contact with wood they should have ample space for ventilation ; and if hung on the sides of walls should be safely arranged upon iron

brackets at least one inch from any wood. Many fires reported from "unknown causes,"—from what is now known of the steam pipe and its capabilities in this direction, were doubtless caused by this silent incendiary.

563. Stock in Trade:—This is a very comprehensive term, but is always limited to personal property, and varies in technical meaning according to the business to which it may be applied. So when used in a policy the trade or calling of the insured must always appear as: "Stock in trade as a boot and shoe dealer," etc. When the form is thus used for any specified line of business, it will include the materials necessary for carrying on that line of trade; and it has been held that it also included the tools and implements of the trade. In one case in England, it was even held that a policy upon "*his stock in trade as a baker,*" not only covered all tools and implements of the trade, but included *his horse and cart* as well. Hence it is a good term or expression to be omitted from all policies, when there are so many others that can be used for the same purpose and raise no question as to what was intended to be covered. (*Forms 30: 56: 59*).

564. Stock Supplies:—This expression is usually found in policies in manufacturing establishments, and is held to apply only to the several kinds of materials used in the manufacture of the special goods made at the mill, as wool, cotton, dyestuffs, etc., etc., in woollen or cotton mills. The term is frequently confounded with *mill supplies* which are quite different things. (413).

565. Stock Yards:—A term applied to large abattoirs, or slaughter and packing house premises. (3).

566. Stoppage in Transitu:—Where goods have been sold upon credit and delivered to the carrier

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for transportation to the vendee's place of business, the title passes to such vendee, subject, however, to the vendor's right of stoppage in transitu at any time before they come into the actual possession of the vendee ; and by such stoppage the vendor is invested with his original right of to the possession of such goods as a pledge for the price thereof. If the goods have been covered by insurance by the vendee, and loss occurs in hands of the carrier, a question of ownership may arise in case of stoppage in transitu. (181).

567. Storage:—The words "*storing and keeping*" are frequently found among the restrictive stipulations of the policy as to prohibited articles. *Storage* is held to include only those articles held for safe keeping, to be delivered out in the same condition as when received into the warehouses ; and not like goods kept for sale, in broken packages or parcels. (614).

Articles forbidden to be kept on the premises, if brought thereon for temporary purposes only, such as repairs, etc., would not fall under the clause "storing and keeping."

568. Store:—A place where chattel property is held for sale. The word *store*, as used in the United States, is equivalent to "shop," as used in England. The word "*store*" applies to the building. The name, more correctly speaking, belonging to the collection of wares within it. "Shop" is the building itself as distinguished from a place of sale, which is open like a stall or booth.

569. Store house:—See "Warehouse." (614).

570. Story:—A floor of a building ; a set of rooms one above another. Where there are several proprietors

of a building, each owning a *story* or *flat*, such owners are, in legal contemplation, owners of distinct buildings, the one situated over the other. It was held also that the owner of the upper floor must keep the roof in repair at his own expense, and that he cannot recover from the owners of the stories below any portion of such expense.

In the event of loss upon a building so jointly owned—unless quite beyond the amount of insurance thereon—the adjustment would be a troublesome one.

571. Stoves ; Stove-pipes :—It is well known to fire underwriters that defective flues are prolific sources of fire losses, in dwellings especially, throughout the country; and flues—good or bad—necessitate the use of stoves and stove-pipes which are, as a rule, quite as great promoters of fire occurrences as are the flues themselves. (129).

All *stoves* should stand clear of, or be protected from, wood-work, and stand upon metal of some kind as a protection to the floor beneath. Large stoves should stand on brick hearths. Zinc is no protection from fire.

572. Stove-pipes should not be allowed to pass through board or lath and plaster partitions without being secured by insulators or crocks ; nor through window-sashes, nor the roof ; in such cases the building becomes uninsurable. All sagging or imperfect pipes should be removed as being dangerous, and the whole should be wired-up securely against falling. (129).

573. Stranger :—As connected with the insurance contract, a *stranger* means one who has no interest in the insurance, hence he cannot have any authority in the disposal of any money paid for loss thereunder.

574. Straw-bleaching :—In preparing straw for braiding it is cut near the joints, and made into bundles ;

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which are next dropped into water ; allowed to drain, and then put into a closed box containing burning brimstone for bleaching, and there remain some hours, and when thus bleached the straw is ready for sale or use.

575. Subrogation :—The substitution of another person in lieu of the creditor as when, in insurance, a company pays the money for a loss to the mortgagee when he is the insured in lieu of the mortgagor, and becomes entitled to a *subrogation* of all of the securities held by such mortgagee, as against the mortgagor, up to the amount of the loss so paid. But if the owner or mortgagor insures in his own name, and simply makes loss payable to the mortgagee there is no subrogation ; the payment of the loss inures to the benefit of the mortgagor and reduces the mortgage pro tanto. It is a rule where the mortgagor pays the premium, either directly, or it is paid by the mortgagee and charged to the mortgagor, there can be no subrogation.. It is only when the insurance is taken by the mortgagee, *at his own expense*, that the right of subrogation follows. (420).

576. Survey :—See "Application." (47).

577. Tariff of Rates :—A system of rates of premiums fixed upon the several classes of risks, and promulgated by the companies themselves, or by a local or State board for the government of local agents.

578. Tenant :—A lessee, for a longer or shorter period. A tenant for a year may insure his interest in a demised building, but he can recover only to the value of his lease for "occupancy." A tenant who pays no part of the premium has no interest in the policy of the landlord upon his tenement, unless so agreed with the landlord. But if he pay any portion of the premium, he has an interest in the policy pro tanto.

579. Tender of Unearned Premiums:—

When policies are cancelled by the company a tender of the return premium must be made at the time of cancellation. If the tender be refused, the exact amount should be offered and counted in presence of the policy holder. If still refused, such tender will be sufficient; but the agent must hold the money ready at all reasonable times and proper places to pay over such sum if subsequently demanded; and no act should be done recognizing the policy as existing insurance after such tender. (114).

580. Term-risks:—Risks for periods in excess of one year are called Term-risks.

581. Theft:—At and after fires. The general principles of law in the matter of theft at fires where the policy is silent upon the subject, is as follows:—

“Loss by plunder of goods removed away from a fire, and so put out of the control of the insured, in common practice, is treated as directly incidental or consequent to the fire, and covered by the policy.”

But to meet this most fire policies have a stipulation excepting all liability for *theft* at or after a fire upon premises covered by insurance, and such clauses are held valid in all cases.

682. It is a very difficult thing in the adjustment of loss, where this restrictive clause is operative, to tell just exactly what portion of the missing property was burned and what stolen. At fires in stores of broken stocks, large amounts are frequently stolen; and as fire underwriters are not liable for stolen goods, great care should be taken, so far as possible, to distinguish the stolen from the burned property.

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593. Three-quarter Clauses:—So termed, are of two kinds: Three-quarter-*loss*, and three-quarter-*value*. A form of the pro-rata clause used to prevent over-insurance, and serve to induce care in the preservation of the property. Under the *loss* clause the liability of the insurer is limited to three-fourths of any *loss*, not exceeding the amount of the policy. While under the *value* clause in no loss shall the liability of the company exceed three-fourths of the *value* of the property at risk, within the amount of the policy. (*Forms 72, 73*).

584. Threshing Machines—Steam:—A steam thrasher, his own, or owned jointly by neighbors, has now become a necessity for all practical farmers; but while like fire “it is a very useful servant, it is also a very dangerous master;” some companies will not write upon them; those which do write require especial precautions in their use. The following is the customary permit for the *use* of a steam-thresher:—

In consideration of..... dollars additional premium paid, permission is hereby granted for the use of steam power for threshing, upon the premises covered by this policy, for the period of..... days in each year during the continuance of, and upon the conditions named in said policy, with the following in addition thereto:

1st. *While there is fire in the furnace*, the engine shall not be located within twenty feet of any building or stack of hay, grain, oats, fodder, or other farm products; no *combustible litter* shall be allowed to collect or remain within fifteen feet of the furnace; a *mesh or screen* of wire, in perfect order for arresting sparks, shall constantly cover the top of the smoke-stack; a competent *watchman* shall be in constant attendance, and at least *three pails* filled with *water* ready for use shall be kept within ten feet of the furnace.

2nd. The boiler and furnace shall be in good condition, and furnished with all modern appliances for safety against fire, and *hard or bituminous coal or hard wood* only shall be used for fuel.

3rd. Violation of any of these conditions will render this indorsement as well as the policy to which this is attached, void.

4th. Fire communicated from burning buildings or other property set on fire by the use of steam power will be considered as *originating* from such use, and this company will not be liable for such loss, except on property particularly specified in said policy and in this endorsement.

585. "Time Open:"—"Time Undeclared:"—Terms used in open fire policies in warehouses to denote that the duration of the insurance is uncertain. When the goods are removed, the time at risk is estimated, and premium paid at short-rate. (547. *Form 21*).

586. Tin-clad wooden Doors:—See "Fire-proof doors." (246).

587. Title:—To property — See "Ownership." (511).

588. Tobacco Factories:—This is a class of risks that has heretofore cost fire underwriters an immense amount of money. "Tobacco burns, and no insurance or tobacco man knows how or why," says the President of the Virginia State Board of Fire Underwriters. The same authority gives the order of burnings as follows: 1. *Reprizeries*—a factory wherein tobacco is prepared for the home market. 2. Tobacco manufacturer. 3. Leaf dealer. 4. *Stemmeries*—where tobacco is prepared for a foreign market. A reliable authority places the tobacco hazard in the following order: As stored in *barns*, without fire heat, it is of the average *barn* risk; as merchandise it ranks with groceries in wholesale warehouses and retail stores. The fire risk culminates in the *curing*, in which the barn risk is augmented about three times. The making of *cigars* in a steam factory is the lowest point of this class of hazard. As paper enters into the make up of *cigarettes*, the danger increases. *Chewing-*

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tobacco manufacture is of a higher hazard than the all-tobacco cigar making ; but the cutting of leaf tobacco for pipes, and the grinding for *snuff*, carry the hazard up to the highest stage in manufacturing as distinguished from curing. (*Form 19*).

589. Tools :—Are instruments of manual operation, particularly such as are used by artizans, mechanics, and other handicraftsmen, as distinguished from motive power. (*Form 65, 181*).

590. Tornado Insurance :—While many leading fire offices write policies covering losses from tornadoes, cyclones and windstorms, but little is yet really known as to their causes, though their occurrence, re-occurrence and fatal effects are well known.

Some fire offices especially except *tornadoes, cyclones* and *windstorms* from the benefits of their lightning clauses. (370).

591. Trade fixtures :—See "Fixtures." (250).

592. Trunks :—Trunks, valises and such like for containing wearing apparel in dwellings, are included in the term "household furniture." (303).

593. Underground Insurance :—The illegal solicitation of business and the issuing of policies thereon, either directly by a company—or intermedially through a broker—not authorized, by compliance with the requirements of the laws of any State to take insurances within its borders. All insurances so taken are, by law, made illegal acts and make the broker subject to penalties upon conviction ; while the insurance is held so far null and void that no action can be maintained by the courts within the States against the insuring office.

594. Undertaking:—A note or bond called for by certain mutual insurance companies from their members; a premium note. (426).

595. Unearned premiums:—Premiums upon a policy of insurance cancelled before expiration, and hence yet unearned; or, upon a policy still in force, from any given date, for the time yet unexpired, whether estimated at pro-rata or short-rates. This value can be readily ascertained by the Table of "Constant Multipliers." (Appendix).

596. Underwriter:—One who underwrites or issues an insurance policy; an insurer. The term is now customarily applied to all persons engaged in the business of insurance; hence, *underwriting*, the act of insuring.

597. Underwriters' policy:—An open fire policy held by a local agent upon which all open-policy risks taken at his agency are entered; each entry having its own specific number. (446).

598. Unexhausted Insurances:—Any sums of one or more coinsuring policies upon a general loss, or of any policy covering singly, remaining unapplied after payment of such loss in full.

599. Unexpired time:—That period of a policy's duration not yet expired at any given date; as when cancelled before expiration; or found for the purpose of estimating the amounts of unearned premiums for annual statements by the company. (595). See "Time tables" and "Constant multipliers." (Appendix).

600. Unfinished buildings:—By custom unfinished buildings are not rated until enclosed, roofed in and plastered. Prior to this they may be covered by a Builder's Risk Policy. (111, 112).

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601. Uninsurable:—That which has no insurance value ; or which, from the nature of the hazard, would require a greater premium than the nature of the business would warrant and leave any profit for the owner. Yet it is an insurance axiom that, “ a business that will not pay for insurance is not worth following.”

602. Usage:—That which is customary in trade. Insurers are supposed to know the *usages of trade* ; and when a term or phrase is used having a limited meaning in a trade, and in a policy issued to one in that trade, or one closely allied to it, both parties must be assumed to have understood the term in the sense in which it is used in such trade.

603. Use:—To use means “ to employ ; to hold ; to enjoy ; to occupy ; or to take the benefit of.” Where this word is used, *habitual use* will be presumed, unless means be taken to enforce prohibition.

604. Unauthorized use:—Where there is no express stipulations to the contrary unauthorized use of property under insurance will suspend the policy during such occupancy ; or if more hazardous, will void the policy.

605. Usual Commission Clause:—A stipulation of the policy used among commission merchants and factors to cover consignments ; it reads as follows :

“ Property his own, or held on commission, or in trust, or sold but not delivered, (or not removed from store).”

This form is frequently abbreviated in the policy to simply “ Usual Commission clause,” or “ U. C. C.,” which is very indefinite because the clause is not always worded alike in all places. (4),

The insertion of this clause in the policy completely nullifies another stipulation which reads :

“ When property has been sold and delivered, or otherwise disposed of, so that all interest or liability on the part of the assured herein named has ceased, this insurance on such property shall immediately terminate.”

And transforms the policy from an insurance upon the interest of the policy-holder to an insurance upon the goods themselves without reference to ownership ; for the law holds that “ phrases describing property under this clause give to the owner a right to take the place of the insured and enforce the contract,” though his name may not appear in the policy as the insured. (*Forms 37 : 38*).

606. Vacant buildings :—A “ vacant ” house is one unoccupied, and from which all furniture has been removed ; an empty house.

607. Vacant and unoccupied :—A house that is both vacant and without a tenant.

608. Vacant or unoccupied :—A house that may be *unoccupied* in consequence of the temporary absence of the tenant, but not *vacant*, because his furniture yet remains therein.

These two forms of expression, when found in fire policies, have caused considerable confusion in adjustments of loss, because they are considered, when written, as synonymous, or meaning the same thing. The difference between them, after a moment's consideration, becomes very apparent.

609. Valuation of property :—In applications for insurance (47) the value of the property at risk is

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always called for as a material matter in fixing the rate. Hence some sum is given by the applicant which is customarily and naturally fully up to the value. In cases of over-valuation under such circumstances, unless fraudulently made, and so proved, it will not affect the liability of the policy.

610. Valued at:—This phrase is the usual expression of a valued policy as used in the marine branch. Under this phrase the company has no option but to pay the amount of the loss, within the policy, without reference to the actual value of property lost, which may be more or less, but usually "more." The fire underwriters vocabulary furnishes words that can be substituted for this ominous phrase. The intent, as used in the fire policy, is to limit the liability of the insurer, hence the words "not to exceed" any given sum will fully express such interest, and secure the company against compulsory over payments of loss.

611. Wager or Gaming Policies:—Pretended insurance founded upon an ideal risk, where the insured has no interest, pecuniary or otherwise, in the thing under insurance, and can therefore sustain no injury from loss or damage to the subject of insurance, improperly so called; although in form a policy yet in truth, but a wager. (474).

This form of wagering was very common in early days in the marine branch under the expression "Interest or no interest." Such policies are now, upon general principles, declared void in law as against public policy, and tending to create an interest in the occurrence of losses where none exists for their prevention.

612. Waiver:—In law waiver is the *voluntary* relinquishment of some right, claim or privilege secured,—as in insurance, by the conditions of the policy—to the insurer. A waiver, to be effective as such, must be made by an officer or authorized agent of the company. It may be by direct intention or by implication derived from some act of the insurer, or from failure to act at the proper time. In either case it is final, when so proved, and cannot be recalled. Hence agents cannot be too careful in what they say to insureds or do in connection with the policy and its bearings when insurances are being taken.

613. Wares:—See “Goods, Wares and Merchandise.” (369).

614. Ware-house:—A building for the storage of merchandise but at the owner's risk.

Bonded Ware-house:—A ware-house containing merchandise under custom-house lock and key,—awaiting the payment of duties but at the risk of owners. Public Stores. (*Form 38*).

615. Ware-houseman:—One keeping a ware-house for general purposes, for hire, but at the risk of the owner. His liability is limited to the use of ordinary care in preserving the property while in his custody; and commences as soon as the property arrives at his ware-house. He has, like all bailees, a lien upon the property for advance charges, fees and expenses. He is not, however, an insurer like a common carrier. His liens upon the property in his custody are insurable. (*Form 38*).

616. Warranty:—A binding statement of an insured that all material facts as represented by him

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are true; and unless they be so, whether the failure arise from fraud, mistake or negligence of an agent or otherwise, the contract is not entered into, and the insurer is released. Warranties always form a part of the policy when so appearing upon the face of the contract; so any material matter appearing in the written words of the policy, as to use and occupancy of the premises covered thereby, will be a continuing warranty that no change or addition shall be made thereto. Hence, a literal compliance with the terms of a warranty, and not merely a substantial one as in representation, can be exacted, whether material to the risk or not.

Warranties are sometimes qualified by the expression "*as far as known to the applicant and material to the risk.*" Such statement, though in terms a warranty, must be of matters *material* to the risk, and the insured must know its falsity at the time, or the validity of the policy will not be effected thereby.

617. Watches and Jewelry:—All articles of personal adornment, not falling under the denomination of wearing apparel, must always be specified or named in the policy so as to be recognized as within its scope; they are termed "Memorandum Articles." (408).

618. Watchman:—It has become the practice, in writing upon manufacturing and other large establishments, to require the attendance of a "watchman" upon the premises during the night; and to secure his efficiency and fidelity in the discharge of his duties, to furnish him with a "bell punch" reminder, in the form of the "Buerck watch," or something similar, to keep him awake and moving around the premises during the hours of his vigils.

Where, by the terms of the insurance, a watchman is required, it becomes a condition-*precedent* to the validity of the policy that such watchman must be upon the premises at all times when not operating. (*Form 50*).

619. Waste:—The refuse of cotton, wool, and other textile fabrics, during the manufacture. It is used for cleaning machinery and other similar purposes by which it becomes oiled or greased, and is then known as "*oily-waste*," or in England as "*oily-wipes*," in which condition it is very liable to spontaneous combustion if kept in moist, warm places. Waste should be removed every day away from the premises, or better still, burned at once. (*Form 101*).

620. Wastage:—Upon certain liquids the loss from *wastage, leakage, evaporation, etc.*, is more or less considerable, and should be looked into when adjusting losses upon this class of subjects. As a rule, however, "Seller's weight is law;" and any loss in weight is at the buyer's risk.

621. Wharfinger:—One who owns a wharf at which vessels load and discharge their cargoes. When he acts as a warehouseman also, his duties and liabilities will be those of that species of bailment. (615).

622. Wearing apparel:—See "Family." (233).

623. Whom it may concern:—This and other similar expressions are found in the marine branch policies, but are seldom used in the fire branch from general indefiniteness, and the necessary opening up of questions as to the parties in interest. The use of any of these indefinite terms and phrases totally ignores the question of, or opportunity to question, the moral hazard

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624. Without prejudice:—The phrase "without prejudice to this insurance" is frequently found in policies, following some permit given to the insured not allowed by their terms. It is mere verbiage, because the written permit in the policy makes it binding upon the insurer. All permits are "without prejudice" necessarily.

625. Xyloidion:—The technical designation of starch.

626. Xylonite:—A preparation similar to celluloid and used for the same purposes. It is claimed, however, that it will not ignite spontaneously, or as readily as celluloid.

627. Xyrolene:—Another name for "Celluloid." (121).

628. Yard fixtures:—Such as fences, privies, out-houses, etc., within the curtilage, though forming a more or less connected portion of the building, are not covered by a policy upon the "building," unless specifically named therein. (236: *Form 1*).

(233).

and other policies, real inde- questions of these ne ques- hazard

POLICY WRITING.

Definiteness is an absolute essential to the fire insurance contract ; hence one of the most essential qualifications of a competent fire underwriter is a thorough acquaintance with the technicalities and usages common to his profession, thus enabling him to formulate a clear, concise, yet ample form of fire policy covering all of the essential points at risk, with due regard to the reciprocal rights and duties—legal and equitable—of both insurer and insured ; so that, if for any cause recourse is had to the courts, it shall not be for any latent ambiguity—discovered by the light of a fire, in the written portion of the instrument,—a source, by the way, of the larger moiety of all fire insurance contentions in the law courts ; and in such cases, it is usually a foregone conclusion that the verdict will be adverse to the company.

In view of the fact that every policy issued,—be the same, large or small, long-term or short-term, specific or general,—the company so issuing it must be prepared at any moment to respond in the amount insured ; thus making the policy as important as a deed or other valuable instrument for the same amount. The necessity for a correctly written policy, according the insured only what was agreed upon and paid for at the time of issue, is not always appreciated, either by the agent of the company or the insured, until the deficiency is made manifest by the light of a subsequent fire, when it is all too late for the company—but not always for the insured—to have the policy amended.

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Much confusion in policy writing has its origin in the indiscriminate use of certain terms and phrases, either not fully understood or used without due consideration because others have used them before, thus making the instrument indefinite and ambiguous where all should be clear and concise. To meet this difficulty, in cases where the amount of the insurance will warrant the expense, printed forms of what are usually the written portions are largely in use ; but many of these are quite as faulty in many particulars as if they had been written instead of being merely printed. With a view to aid and assist in the improvement in policy writing among fire underwriters, the foregoing VOCABULARY and the several skeleton forms of policies and indorsements herewith submitted, are offered as suggestive and explanatory of the terms and phrases, with their use, as found in the fire branch of the insurance business, a familiarity with which will much facilitate all of the operations connected with the daily routine of a fire insurance office.

POLICY FORMS.

The varieties of hazards that may be covered by a fire insurance policy are innumerable, hence to furnish an appropriate form ready fitted to every contingency that might arise would be an impossibility ; nor is it at all necessary because every policy is composed of several parts or portions, as building, contents, machinery, etc., etc., whether written specifically or generally upon the subject covered, each of which portions will present some especial peculiarity of its own,—applying equally well to other policies, and only requiring to be properly selected from

the mass herewith submitted, and duly formulated into a policy, to enable the Tyro to indite correctly an insurance contract for any class of hazard.

To this end a variety of forms has been prepared, in which almost every contingency that would be likely to arise in ordinary fire underwriting has been provided for in one or other of the skeletons or models herein presented so that it will only be necessary for the underwriter to become familiar therewith to enable him to select such points as may be pertinent to any risk that may be offered to him, whether dwelling, store or factory.

Among the forms will be found cross references to cognate subjects in the VOCABULARY, from which a correct idea can be gained as to the appropriate combinations to make up the desired policy, which is always composed, first, of the building, location and occupancy; second, of contents, machinery, if a factory, then stock, with such others matters as may be appropriate to the risk; all of which, by means of the INDEX and references, can be readily found, especially by any one familiar with this branch of the business, quite as easily as out of any larger collection of forms, not one of which alone would exactly fit the circumstances of the risk in hand. So, also, with permits and indorsements, of which quite a number now in common use will be found among the forms, as indicated by the Index, to which reference should be made to find cognate subjects or forms. If the subject sought for be not found in the Index, reference should be made to the VOCABULARY, which is arranged in alphabetical order, where it will doubtless be discovered, with valuable suggestions.

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VARIOUS FORMS.

1. DWELLING HOUSE.

Applicable to Ordinary Dwellings.

On his.....story.....roof building, (and wood-shed thereto attached,) situated.....and occupied by the insured (by a tenant) as a (farm) dwelling house (197).

On outhouses, fences, and trellis within the curtilage (196) on said premises. (484).

On plumbing, gas and water fixtures, and steam heating apparatus, including furnace in the basement.

Lightning clause. (370). (*Form 91.*)

Concurrent insurance permitted to the amount of \$.....in all.

2. SUMMER RESIDENCE.

On.....story, mansard slate roof, frame cottage, owned and occupied by the insured as a summer residence, situated

It is understood as a part of this agreement that when the premises are not occupied by the insured the building shall be under the personal charge of some reliable person. (606).

3. DWELLING AND STORE.

On his... ..story.....roof building, with..... roof addition in rear, occupied by a tenant as a..... store on the first floor of main building and cellar beneath, and by the insured as a dwelling above the main building and all of the rear building. (196).

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4. HOUSEHOLD FURNITURE.

In connection with the Dwelling.

On household furniture (303) useful and ornamental (304), printed books (98), plate and plated ware (471), paintings and engravings and their frames (454), family wearing apparel (233), watches and jewelry in use (617) and family supplies (232), all while contained in the above described dwelling house.

Permission to use kerosene oil of not less than 110 test for lights (347), lamps to be filled and trimmed by daylight only. (349).

Gasoline stove permit. See (*Form* 94) if needed.

4b. SPECIFIC FORM.

On household furniture useful and ornamental (304), except as hereinafter specifically covered, viz. :

On mantel and pier glasses, mirrors and their frames. (472).

On plate and plated-ware, and on china and glass-ware. (471).

On piano forte (harp, organ) and other musical instruments, music stand and music. (304).

On library of printed books (98), and cases containing the same. (98).

On family wearing apparel (233), military uniform and accoutrements, including also, watches and articles of bijouterie in use. (617).

On paintings and engravings, and their frames, as per Schedule No.....of even date herewith hereto attached and made a part of this policy. (537).

On family stores, including wines and liquors in the vaults. (232).

All the property of the insured, and covered by this

policy while contained in the above described dwelling-house, and not elsewhere. (154).

5. COURT HOUSE AND JAIL.

Do insure (the authorities in charge) of..... on the following described county property, located.....

On....., story and basement..... Court House and Jail, with..... roof, with iron cells, and all permanent fixtures for heating, lighting and water supply, including stationary wash bowls, tubs and closets.

On office furniture and other movable property while therein contained.

On..... Register's office adjacent on the South.

On printed books (98) and office furniture while therein contained.

On household furniture belonging to the county while contained in that portion of the main building occupied by the jailor as a dwelling. (303)

6. HOTELS.

On his..... story..... building..... roof known as the Hotel, situated..... and occupied by the insured for hotel purposes only; including gas, steam and water piping and their fittings therein. (298).

On hotel furniture, useful and ornamental, plate and plated ware, and printed books, mirrors and their frames, gas and other fixtures, (as per Schedule of even date and number herewith, signed by the assured and on file at the office of the company). (537).

On hotel supplies (432), including liquors, wines, beer, cigars and tobacco therein.

On bar and bar-fixtures and furniture therein.

All the property of the insured—as per his application of even number and date herewith on file at the office of

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this company (47), and covered by this policy only while contained in the above described hotel building. (154).

(Add customary permits—for lights—other insurance, etc., etc., as needed).

7. CHURCHES.

Onroof church building and spire, including the pews therein, and on steam heating apparatus, gas and water piping and fittings therein.

On pulpit, lecturn, chancel, statuary, font and plate therein (as per Schedule, etc.). (537).

On church furniture and fixtures, including gas chandeliers, gas stands and brackets therein, with their glass shades.

On organ, and appurtenances for operating the bellows.

On fresco-work on walls and ceilings.

On furniture and fixtures, including melodeon (and Sunday-school library of printed books and cases containing the same), in the basement of said church building occupied as a lecture room and for other church purposes.

On bell in the tower.

Said church edifice situated.....and known as the(130).

Privileged to heat by furnace using coal for fuel, and to use kerosene oil of U. S. standard 110 for lighting ; lamps to be filled and trimmed by day-light only. (Form 92-3).

8. ACADEMY.

Do insure.....Trustees of the.....High School, situated..... against loss or damage by fire, as follows :

On.....story.....building.....roof and onstory.chapel building adjoining, all to be occupied for educational purposes, located at..... (112).

On school apparatus, furniture, and fixtures, including school library of printed books, and cases containing the same.

On household furniture, useful and ornamental, including two pianos, covers, music stands and music. Loss on either piano not to exceed \$ (303).

On family stores. (232).

All while contained in the above described buildings (154). (Usual permits).

9. COUNTRY BARNs.

On his frame barn (and sheds thereto attached), situated.....and occupied by the insured (a tenant) for farming purposes only.

ON CONTENTS.

On farm produce (37), feed, vehicles (531), loss on no one vehicle to exceed \$.....; harness, loss on no one harness to exceed \$.....; blankets, robes, whips, tools and implements (33), and other articles usually kept for use, in barns.

On steam threshing machine (add threshing machine clause (534) if need be).

On horses (297) and other live stock (379) liability on any one horse not to exceed \$.....on any one ox or steer \$.....; on any one yearling, sheep, or hog \$... (610).

On.....bull (or cow) known as.....

All while contained in the above described barn and not elsewhere (154) (add lightning clause.) (Form 91).

(It is understood that this insurance covers the above named horses, in case of death by lightning (370-1), whether in or out of said barn (in the field or on the road).

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Warranted that no open lights or smoking of tobacco, shall be permitted in or about the barn or barn-yard. (616).

10. PRIVATE BARN.

To follow policy on the Dwelling.

On his.....barn..... roof, located.....

\$600 on four horses (297) being \$150 on each.

\$500 on vehicles, harness, whip and robes. (531).

\$150 on hay, grain and other feed.

All while contained in the above described barn. (154).

11. STREET PASSENGER RAILWAY CO.

Stables and Car-House.

On..... story brick, metal roof building, and on frame sheds thereto attached in the rear, situated.... ..and occupied as a Street Railway stable and car house.

On boiler and engine and connections, elevator and connections, and apparatus for preparing feed. (386-7).

On hay, grain and other feed, and on straw, in the second story of said building.

On.....horses, or mules therein; (379) Loss upon any one horse or mule not to exceed \$..... (610).

On harness therein; loss on no one harness to exceed \$.....

On..... passenger cars, or sleighs (53) therein, loss on any one car not exceed \$.....or any one sleigh \$..... (610).

On.....two horse wagons, loss on any wagon not to exceed \$.....

On snow-plows, tools, implements, and supplies for repairs therein.

All the property of the insured, and covered by this policy while contained on the above described premises, and not elsewhere. (154).

As per insured's application, etc. (47).

Other insurance concurrent herewith, permitted, etc. (Forms 82, 84).

12.

HOTEL BARN.

On his.....barn building, situated.....and occupied by the insured as a hotel and livery barn.

(Here describe contents as appropriate).

It is understood that this insurance covers only upon the property of the insured in the above described barn, and while therein contained and not elsewhere. (154).

13.

LIVERY AND SALE STABLES.

On his.....story.....building with.....roof, including steam heating apparatus for preparing feed, gas and water piping therein, and on.....carriage house and sheds adjoining in the rear, situated.....and owned and occupied by the insured as a livery and sale stable, known as the.....Stables.

On vehicles, on wheels (531) or runners, loss on any one two-horse vehicle not to exceed \$.....or any one-horse vehicle \$ (531).

On harness, saddles, bridles, halters, blankets, robes, whips, lamps, lanterns, tools, and implements; loss on any set of harness not to exceed \$..... (610).

On.....horses, loss on any one horse not to exceed \$.....

On Bay Stallion "Jo." (379).

On hay, straw, grain and feed.

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All the property of the insured, and covered by this policy only while contained on the above described premises and not elsewhere. (154).

As per insureds application (47) of current number and date herewith, which is his warranty, and a part of this policy. (57:616).

Warranted (616) that a competent watchman shall be on duty at all hours of the day and night ; (619) that gas, enclosed in glass, is used for lights ; that no open lights shall be used about the premises. And that tobacco smoking shall not be permitted inside of said buildings.

Other insurance permitted, etc.

14. MERCANTILE BUILDINGS.

On.....story.....building, with.....roof, including steam heating and hoisting apparatus, steam, water and gas piping and fittings, but excluding sidewalks, plate-glass, and boiler and engine, situate..... and owned and occupied by the insured for hazardous and non hazardous purposes only. (291).

On plate-glass in said building. (473).

On office furniture and fixtures, including safe, and on telegraph and telephone implements therein.

On steam boiler and engine, located.....

On stone sidewalks, prismatic lights therein, and walls supporting the same, connected with and appertaining to said building.

Permission to use electric light. (Form 26).

15. COUNTRY STORE.

On his two story frame, shingle roof building, situate... owned by the insured, and occupied by a tenant upon the first floor, as a dry goods store, and by the insured as a dwelling in the second story. (166).

Privileged to use gasoline stove. (262: *Form 94*). To use kerosene for lights. (*Form 92*). Other insurance, etc. (*Forms 82, 84*).

16. RETAIL STOCKS GENERALLY.

Do insure Brown, Jones & Co. (as now constituted). (69).

\$.....On stock of merchandise, chiefly boots and shoes (*Gents' Furnishing Goods—Books and Stationery—Hardware—Dry Goods—Fancy Goods and Yankee Notions—Groceries*, etc., as may be the case) and such other goods, not more hazardous, as are usually kept for sale in such stocks. (525). While contained, etc., etc.

17. FURNITURE STOCKS.

On stock of furniture, finished or unfinished (352), with materials for finishing the same; brackets, mirrors, upholstering materials, mattresses and similar furnishing stock, the property of the assured, while contained in..... (154, 352).

Privilege to upholster and finish therein; glue to be heated by gas only. Not more than.....gallons of varnish to be kept upon the premises at any one time.

(Other permits as called for).

18. TINNERS' STOCKS.

On his merchandize chiefly stoves, tinware, tanners' stock, house furnishing goods, lanterns and lantern globes, in the various stages of manufacture, all while contained in.....occupied by the insured on the ground floor as a salesroom and in the second and third stories as a lantern factory. (244).

On machinery, tools and implements used in the manufacture of tinware and lanterns, in the said second and third stories of the above described building. (589).

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Privileged for an iron shaft communicating power from the building adjoining on the south, on the second floor.

19. RETAIL TOBACCO STORES.

On his stock of tobacco, cigars, pipes, and other merchandize usually found on sale in such stocks, all while contained in.....

20. JEWELRY STOCK.

On his stock of jewelry, watches, gold, silver and plated ware, and other materials hazardous and extra hazardous, (291) usually kept for sale in wholesale jewelry stocks, in or out of the safes (or, excluding such articles as are usually kept in the safes at night) (336), all while contained in.....

On store furniture and fixtures, including plate glass mirrors, show cases, and door and window plates, and all ornamental work used for ornamentation of the store. (473).

21. PICTURE GALLERY.

By Schedule, with Co-insurance clause.

On paintings, engravings and their frames, statuary, sculptures and other works of art and virtu (454), their own or held in trust for others, while contained in the building situateand known as the.....Art Gallery.To attach as per Schedule (537) of even number and date herewith, on file at the office of this Company, (or hereto attached and made a part of this policy), as per value and prices thereto affixed by the assured, and to which reference is to be made for such maximum prices, in the event of loss or damage by fire, to any one or more

of the articles therein enumerated. In the event of loss by fire this Company shall make good to the assured their pro-rata proportion of such loss as the sum hereby insured shall bear to the total value of the property at risk at the time of such loss, as specified in said Schedule No.....

Other concurrent insurance, &c., &c.

Indorsement.—Whereas the pictures and their frames, numberedon the Schedule above referred to, have been removed to the.....Fair for temporary exhibition, it is agreed that this insurance shall extend to cover said pictures in said Fair building, for the space of.....days (or "time undeclared") (585) additional premium at the short rate of.....per cent. to be paid for the time expired. (544).

.....Secretary.

Dated.....

Indorsement No. 2.—The pictures Nos.....referred to in the foregoing indorsement, having been returned to the said.....Art Gallery, and extra premium \$ paid thereon, this insurance now re-attaches to them as therein located.

.....Secretary.

Dated.....

22. PHOTOGRAPH GALLERY.

On his furniture, fixtures and specimens in frames and cases in his gallery. (467).

On Cameras, being \$.....on each.

On tools, implements and furniture used in the business, including stands, rests, bath and screens. (589).

On stock and materials used in the business, except negatives.

On negatives as per Schedule (537); any negative not included in said schedule to be held as plain glass only.

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All the property of the insured and covered by this policy while contained in said building occupied by him as a photograph gallery. (154). Located.....
(Usual permits).

23. LODGE AND SOCIETY HALLS.

Do insure.....Trustees of.....Lodge.....

On regalia, jewels, hall furniture, fixtures and all paraphernalia of the Order, the property of.....Lodge, or held in trust for its members. (292).

On organ (or melodeon):

All while contained in (154).....known as the....., situated.....and occupied by the said.....Lodge for Society purposes.

Permission to lease the use of said Lodge Hall, to.....
Lodge, for similar occupancy.

Kerosene permit.

24. COTTON IN YARDS.

On cotton, various owners, while stored in the.....
Cotton press yards (168) situated.....Time open (585).

25. ANOTHER SPECIAL FORM.

On cotton in bales, while loading or unloading or handling in front of the.....Cotton warehouse (or press). Said cotton to be under the protection of this policy only while being received into or delivered from the said..... between the hours of 6 o'clock A. M. and 7 o'clock, P. M. (168).

26. ELECTRIC LIGHT AND POWER FACTORY.

On their stock and materials in their various stages, as used in the manufacture and use of electric lighting apparatus.

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On machines, machinery, belting, tools, implements and fixtures used in the business of electric lighting, and in the manufacture of electric lamps and other electrical apparatus and appliances, except as otherwise especially named. (205. Form 89).

On.....dynamos ; not to exceed \$.....on each (201).

Onlamps ; not to exceed \$.....on each.

All while contained in (154).....propelled by water power, and occupied by the insured, as an electric light and power company.

27.

BROOM FACTORY.

On their stock of brooms, broom-corn, and other materials for the manufacture of brooms, in their several stages of manufacture ; all the property of the insured, and covered by this policy only while contained in....It is understood that the brimstone mill is outside of the main building, and that all bleaching of broom-corn shall be done in a separate building. (108).

28.

MERCHANDISE STOCKS.

Wholesale General forms.

On dry goods, foreign and domestic, in unbroken packages, including open sample packages when the same shall not exceed.....per cent. of the entire stock, such samples are not to be more than hazardous according to the ordinary classes of hazard: Usual Commission clause (605) ; all while contained in..... (154).

Permission to heat by steam ; to use the electric light, (Form 89), and to use one room in the fourth story for the manufacture of cloaks. Other insurance, etc.

29.

HARDWARE STOCK.

On stock of general hardware, including building

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materials and other similar merchandise usually kept for sale in such stores. Usual Commission Clause. (605). All contained in, etc.

30. *Another form.*

On stock of sheet and other hardware, tin plate, tinnerns' tools, and other similar merchandise not more hazardous, while contained on ground floor of

It is understood that a tinnerns' and sheet iron workers' shop is carried on in the.....story of said building, but this policy does not cover therein. (563).

31. WHOLESALE DRUG-STOCK.

On merchandise non-hazardous, hazardous and extra-hazardous, consisting of goods and wares usually kept for sale by wholesale druggists, except as hereinafter specified. (194). Usual Commission Clause. (605). All contained in..... (154).

Warranted that neither acids, kerosene, camphene, benzine, phosphorus, friction matches, ether nor varnishes shall be kept upon the above described premises during the currency of this policy. (349, 350).

Warranted (616) that all fire-proof doors and shutters (247) on the premises shall be closed every night when the store is closed.

32. WHOLESALE BOOTS AND SHOES.

On wholesale stock of boots and shoes, findings, leather and other materials used in the manufacture of boots and shoes, in the various stages of manufacture, and other merchandise usually kept for sale or use in boot and shoe factories. (Commission clause). (605). All while contained within the walls of the.....States Prison located at.....

Permitted to make repairs and alterations, provided that such alterations shall not materially increase the nature of the hazard. (522).

(Usual permits as needed).

33.

CROCKERY AND GLASS-WARE.

Lamp Stores.

On china, glass, earthen and stone ware; lamps and lamp trimmings; chandeliers; cutlery; plated goods; looking-glasses; gas, kerosene oil and gasoline stoves, and other stock, not more hazardous, usually kept for sale in this line of business, including crates and boxes for the same; all while contained in.....occupied by the insured as a general crockery and lamp store, situated.....

In consideration of \$ extra premium permission granted to use *one* gasoline stove for exhibition purposes (add gasoline stove clause). (262: *Form* 94).

Permission to keep.....barrels of kerosene oil for sale. (349).

34.

PATENT MEDICINE STOCK.

On his stock of proprietary medicines in the various stages of manufacture (392, 3, 4), including patent medicines and other merchandize usually kept for sale in such stocks; all while contained in..... Privilege to compound medicines without the aid of fire-heat.

35.

SADDLERY AND LEATHER STOCK.

On merchandize comprising goods of leather and other materials used in saddle, harness, and trunk making in the various stages of manufacture (392, 3, 4), while contained in..... Occupied by the assured as a

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saddlery and harness manufactory and warehouse, and
.....other tenants with business not more hazardous,
situated.....(Usual permits).

36. LIQUOR STORE, WITH RECTIFYING PRIVILEGE.

On stock of wines and liquor in packages, and packages containing the same, and other merchandize not more hazardous in his line of trade, contained inand occupied by the insured as a wholesale liquor store.

On tubs, pipes, pumps and other apparatus used for rectifying liquors without the use of fire heat, contained in the second and third stories of said building.

Privilege to rectify not to exceed.....barrels per day (190). Warranted that no smoking of tobacco, nor any lights or fires shall be permitted in said building above the first floor (or outside of the office).

37. COMMISSION MERCHANT.

On merchandize generally, hazardous and extra hazardous, his own, or held in trust or on commission, or sold but not delivered (605); consisting chiefly of (153) such goods and wares as usually appertain to the business of a wholesale grocery and cotton factor; all while contained inand in the.....warehouse adjoining, cut off by fire-proof doors, which it is agreed shall be closed every night upon the closing of the store. (247).

38. WAREHOUSE-MAN'S INTEREST.

On their interest as warehousemen in cotton, grain and other produce and merchandize, various ownerships, all while contained in ,occupied by the insured as a Storage (or Bonded) ware-house. (614-615)

39.

GRAIN ELEVATORS.

On his story building with roof, and all appurtenances thereto as a grain elevator, fixed and movable machinery, conveyors, tools, implements, pumps, piping and fixtures therein.

On engine and boiler-house adjoining said building, including the brick stack thereto attached.

On engines, boilers, pumps and connections therein. (386-7).

Occupied by the insured as a grain elevator, and situated the same being upon leased ground, with years yet to run to maturity. (361). Other concurrent insurance permitted, &c.

40.

PRINTING OFFICE.

On printing and other presses, rollers, cutting, ruling and other machines ; furniture, fixtures, tools and implements, including imposing stones.

On types, cuts, electrotypes, galleys, inks, and stock and materials in use in the business, including work for others in process or completed but not delivered.

All the property of the insured, and covered by this policy while contained in (154) the above described building, occupied as a steam printing office. (92 : 99). (*Forms* 94-8.)

Permission for one gallon of benzine, for type cleaning purposes only, to be kept in a tight metal can. (Customary permits).

41.

MANUFACTURING STATIONER.

On his stock of merchandize, chiefly blank-books, stationery and other goods (99), in the various processes of manufacture, while contained in (154).

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Permission to occupy the third and fourth stories of said building for a book bindery and printing office (99), propelled by shafting from the adjoining building. Paper shavings to be cleaned up and removed daily.

42. RESTAURANT OR SALOON.

On his stock of liquors, wines, beer, tobacco and cigars.

On furniture of his saloon, including bar-outfit, and gas and water pipes and fixtures.

On pictures and their frames while in said saloon; loss on no one picture and frame to exceed \$

Onbilliard tables; loss on no one table to exceed \$ and on cues, racks and cases.

On sets of ivory (celluloid 121) billiard balls therein.

On furniture and fixtures, steam, gas and water pipes contained in the restaurant room, first floor. (154.)

On kitchen furniture and fixtures, including range, hot and cold water piping, in the basement.

On other household furniture, family wearing apparel, and family stores. (303).

All while contained in situated and occupied by the assured as a saloon, restaurant and dwelling.

43. PUBLIC HALL.

On his building..... roof, situated and occupied by a tenant as a public hall, including fresco-work and gilding on walls and ceilings, and on steam, gas, water and other piping and fittings, including heating and hot water apparatus, contained therein.

Privileged for concerts, theatrical performances with the use of scenery, and other exhibitions; to use a

Woodward's gas-carbonizer (116), and for mechanics to make ordinary alterations and requisite repairs (522), but it is understood and agreed that extraordinary alterations, repairs or additions are prohibited without notice to and consent of the company duly indorsed hereon. (117). (If kerosene for lights (*Form* 92-3) omit the Woodward's gas-carbonizer). Other Insurance (449) as required. (*Forms* 82 : 84).

44.

PETROLEUM.

On refined petroleum and packages containing the same (Usual com. clause 605), contained in the warehouses and on the premises connected therewith of the Petroleum Storage Company at situated(Various owners).

It is understood that this insurance does not cover refined petroleum when stored with crude petroleum. (347).

In the event of loss upon any portion of the above property, the adjustment shall be made in the ratio that the amount hereby insured shall bear to the total value of the property at risk at the time of such loss. (137).

Other concurrent insurance permitted without notice.

45.

LUMBER YARD.

On their stock of lumber, raw or wrought, contained in their yard at, and occupied by the insured for the purpose of a lumber yard.

Other insurance permitted, &c.

In large yards, the "Eighty per cent. Graded Co-Insurance Clause" (499) is now attached to all lumber policies. (*Forms* 70, 71).

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46. VESSEL ON THE STOCKS.

On the new, the property of now in course of construction at the ship-yard of at and on materials on board to be used in the vessel. To cover also when launched and lying at the dock at.....

Indorsement.—The above described vessel now launched and lying at the dock at is called the This insurance to cover the said vessel for the period of from this date, including also tackle, apparel and furniture on board.

Date..... Sec.

Other insurance permitted, &c.

47. PASSENGER OF FREIGHT STEAMBOAT.

On the.....steamer (propeller.....) the property of.....and on her hull, tackle, apparel and furniture on board, with privilege to navigate between the ports of touching at all the intermediate ports, as a passenger and freight boat.

Privileged to go upon dry-docks, and for mechanics to make necessary repairs and alterations on board; also to transport general merchandise in the usual course of business.

Other insurance permitted, &c.

It is agreed that during the close of navigation the place of mooring said steamboat shall be notified to the company, and consent therefor indorsed hereon.

48. SPARK RISKS ON RAILROADS.

On their liability for damages by sparks or coals from their locomotives to the property of other parties, situated upon lands along the lines of any of the roads owned or used by the assured. Loss not to exceed \$..... at any one continuous fire. (610).

49.

WAGON BRIDGES.

On the double track, frame, shingle roof, wagon and horse railway bridge, with foot-path on each side, crossing the.....River at.....

Permission to light said bridge with kerosene oil of the U. S. standard. (347).

50.

RAILWAY BRIDGE.

On their new frame, decked railway bridge crossing the River at.....

Warranted that the insured shall keep not less thancasks of water with.....buckets to each cask, at intervals on said bridge. (110). And that a competent watchman (619) shall cross and examine said bridge after the passage of each and every train during the currency of this policy. (616).

MILLS AND MANUFACTORIES.

51.

COTTON AND WOOLEN MILLS.

(With Three-quarter Co-insurance Clause.)

On their.....(cotton) mill..... ..roof building, and.....picker house attached, situated.....and occupied by the insured for the manufacture of..... goods.

On steam boilers, engine, fixed and movable machinery (386), fixtures, tools, apparatus, and mill supplies (413) contained therein.

On their stock, raw, wrought and in process, in said building.

The word "wrought" in this policy covers all finished goods, either in bales or otherwise, remaining in the mill (392-3), and the terms "machinery, implements and fixtures," are to be applied to cover shaftings, hangers, pulleys and belting, as a part of this insurance. (386-7).

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Permission to store goods in bales or otherwise, in the mill; and to stop the mill at any time by keeping a watchman at all times on the premises when the mill is not running. (550).

Permission for other insurance without notice till required. It being understood and agreed that three-fourths of the value of the property at risk shall be covered by the insured or the insured shall be held co-insurers for any deficiency of that amount, and the adjustment of any loss shall be made upon that basis. (498).

Permit for extra-hours (*Form 88*), if needed.

This form of policy will answer, with slight alteration, for any of the textile factories. But inasmuch as every mill of any size has its own forms peculiar to itself, it would be impossible to designate them all. The chief points of interest are embraced in the above.

52. BLEACHERY AND PRINT WORKS.

With Average Clause.

The peculiarities of this class of risks are that the property under insurance is sent there by the owners, in the "grey" to be printed. Hence a printery policy usually covers two interests, viz.: owner for the value of the goods, and the printers for the value of the labor bestowed upon the goods.

On stock finished, and unfinished, and in process; their own or held by them in trust, or on consignment, including packages for finished goods (394), contained in the various buildings of the assured, as per diagram (189) and survey, etc. Situated at.....and known as theBleachery. Loss, if any, to the extent of the value of the stock in the "grey" state, payable to (385) (owners). And loss, if any, to the extent of the value of all labor and materials expended upon the said stock, payable to the assured. It being understood, however, that this policy shall be liable only for such proportion of loss on said stock, as this insurance bears to the whole property at risk at the time of such loss. (137).

If there be several different buildings containing the property covered, the co-insurance clause should read as follows: *Form 68.*

In case of loss upon any of the several buildings, containing said property, this insurance is to contribute and pay in the proportion that the value of the property at risk therein at the time of any loss shall bear to the total value in all of said buildings at that time. (498).

53.**PAPER MILL.**

On one cylinder machine, dryer, calender and the driving machinery thereto appurtenant. (386-7).

On steam rotary bleach; iron cold-pressure bleach, and alkali pans, to attach \$.....on each pan.

On pulp-engines (or beaters) being \$.....on each.

On steam-boilers and engine and connections, and on other machinery, tools and implements in the mill, excluding water-wheel and appurtenances. (386-7).

On water-wheel and appurtenances, fore-bay and flume within.....feet of the mill.

On stock and material in the various stages of manufacture of white paper.

All property of the assured and covered by this policy while contained in the building, located.....

54.**RUBBER FACTORY.**

On stock, finished and in the various stages of manufacture (393-4), and the material used for preparing and grinding India rubber, and manufacturing India rubber goods generally, all contained in Liberty to use camphene in a cold state for softening India rubber, but not to be used when heated, nor for illuminating purposes.

55.**TANNERY.**

On hides and leather and materials in process of manufacture, while contained in theTannery and in the vats therein and the yards adjoining.

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On steam boiler and engine and connections, including pumps and gearing therein.

On machinery, fixtures, tools, implements, and tables, and on hide mill, rolling-mill, and bark mill (87) while therein.

On vats, tanks, leaches, and appurtenances on the premises.

All the property of the insured, and contained in the above described tannery building.

On bark, piled in yard.....feet distant from the tannery building. (88).

Currying and paraffin oils permitted to be used upon the premises as needed.

56. FLOUR MILL.

On fixed machinery and gearing in the.....building known as the.....Flouring mill.

On movable machinery, including mill-stones, cracker, bolting chests, bins, dusters, cleaning apparatus, elevators, conveyers, and other appurtenances; steam, gas and water pipes, tools, implements, scales, mill furniture and fixtures. (386-7).

On stock of grain, flour, feed, shorts, and stock in process of manufacture, paper and cloth bags and other materials (566), all the property of the insured, and contained in said mill. Privilege for a corn-sheller on the first floor.

57. SUGAR REFINERY.

On machinery, boilers, engines, steam pumps, pans, vats, pipes, cisterns, moulds, tools and implements used in the manufacture of sugar contained in.....

On stock of sugar, syrup, molasses, manufactured and in the various stages of manufacture, and other materials used in the manufacture or refining of sugar. (97).

All the property of the insured, and covered by this policy while contained in the above described sugar refinery building. (154).

58. COFFEE AND SPICE MILL.

On the stock of coffee, teas, spices and other similar merchandize (Usual commission clause 605), contained in the.....building, with stone floor, situated..... and occupied by the assured as a coffee and spice mill.

Roasting of coffee permitted only in the.....building in the rear (136), but this insurance does not cover on stock therein. Permission to grind coffee in the main building.

59. BREWERY AND MALT-KILN.

On his..... brewery building and malt-kiln thereto attached, occupied by the insured as a brewery and for malting purposes, situated..... (103).

On his elevator, kettles, tanks, tubs, tools, implements, fixtures and machinery, contained therein.

On his stock of malt, hops, barley, and other grain and materials usual in his line of business as brewer and maltster, while contained therein. (566).

On beer manufactured, or in process of manufacture, while contained in said brewery building, or in the vaults connected therewith. (104).

As per his application and survey on file, etc. (47) (or give separate amounts or malt-kiln and contents).

Usual permits as needed—if there be an ice-cooling apparatus, note it. See "Ice machinery." (308).

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60. GLUE FACTORY.

On.....buildingroof, including brick stack, known as the, situate.....and occupied by the insured for the manufacture of glue, sand and emery paper, curled hair, and whips, and marked on plan as building A.

Customary forms for machinery and contents. (*Forms* 51, 55, 56, 66).

61. MACHINE SHOP AND FOUNDRY.

On.....building, known as the.....situated..... and occupied by the insured as a machine shop and foundry, and on stairs, gangways, stocks, forges, cupolas, core-ovens and annealing furnaces contained therein.

On machinery. (*Forms* 51, 66).

On flasks, core-boxes and cores, finished and in process, and on materials for the same.

On patterns, as per Schedule. (537).

On stock of all kinds, manufactured and in the various stages of manufacture. (393-4).

All the property of the insured and covered by this policy while contained on the above described premises. (Usual permits).

62. CARRIAGE FACTORY.

On stock of carriages and other vehicles on wheels and runners (531), completed or in the various stages of manufacture, and materials for the same, including painters' and trimmers' stocks. (393-4).

On movable machinery, tools, implements, furniture and fixtures used in the business. (386-7).

All the property of the insured, and covered by this policy while contained on the above described premises. (Permits at discretion).

63.

STEAM SAW MILL.

On his frame, metal roof steam saw-mill building and frame, metal roof boiler house attached.

On engine, boilers and connections including metal stack, and on pump and hose in said boiler house.

On machinery, shingle mill, saws, gang or circular, tools and appurtenances contained therein.

On platforms, log-way slides and tramways within 100 feet of said mill.

(Add "Clear space" clause.) (*Form 90*).

All the property of the insured, &c.

NOTE.—It is mutually understood that the foundations of mill building and engine house are included with the mill building and engine house. The foundations of the engines with the engines. The foundation of the gang with the gang. The foundations and arch of boilers with the boilers. And in the event of loss under this policy, settlement will be made on such basis.

64.

STAVE MILL.

On barrel-stave and head cutting machines and saws, and other machines, tables and appurtenances.

On stock of bolts (96) shooks, headings, hoops, jointers, and other material contained in said stave-mill building, and on the premises within feet thereof.

(See "Dry Kilns," 199).

65.

WAGON-SHOP.

On his frame wagon-shop, situated and occupied by the insured for wagon and plow making, hand work only.

On tools, implements and utensils therein. (*589*).

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own or the property of others left for repairs for which he may be liable, all while contained in the above described wagon-shop.

Permission to use benzine in painting, but no benzine to be kept on the premises except in small quantities for daily use. (92).

66. COAL BREAKER.

On frame Coal-breaker structure, including chutes, bins, trestling, tip house and connecting wood work, No. 1 on plan,.....	\$8,500
On breaker-engine, cast iron dumps, rollers, screens, hoisting-gearing, elevators, piping, screen bars, chute plates, sheet and boiler iron, and fixed and movable machinery, contained in or connected with said breaker structure, No. 1 on plan,.....	8,000
On frame Carpenter and Blacksmith shop, 70x25 feet, located No. 2 on plan,.....	700
On frame Engine and Boiler houses, at dirt plane; also dirt plane engine, boilers and connections, and machinery, including drums and wire rope, contained in said engine and boiler houses, No. 3 on plan, ..	800
On frame Engine house, at head of slope..... and on engine and connections, machinery, drums and wire rope, contained therein, No. 4 on plan,.....	1,500
On frame Fan-engine house, fan-house, fan-engine and connections and fan, and piping, contained therein, No. 5 on plan,.....	500

Total insurance..... \$20,000

The property of and known as the Coal Company, situate at.....

As per plan filed in the office of this Company.

Other insurance permitted, &c.

It is understood and agreed that the Insurance Company of covers under their policy No of their agency at to which this specification is attached and made a part thereof—*one twenty-fifth* part of each of the above sums, amounting in the aggregate to the sum of *Five thousand dollars* (\$5,000). (Form 89).

67.

POTTERY WORKS.

On steam boiler, engine, fixed and movable machinery, grinders, presses, clay pans, fixtures and implements, including pumps and hose.

On frame kiln sheds (357) situated south of said factory.

On stock of sewer-pipe, tile, fire-brick, terra-cotta ware, pottery and other wares, and fire clay, manufactured or in the several stages of manufacture. (393-4).

All the property of the, situated and covered by this insurance while contained on the above described premises. (154).

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68. AVERAGE CLAUSE.

Value to value.

"In case of loss, this insurance shall contribute and pay in such proportions only as the *value* in each locality (or building) shall bear to the *value* in all of the buildings (or localities) at the time of such loss." (497, *Form 52*).

2. "This company shall be liable for loss or damage on any portion of the property covered by this policy, only in the proportion that the sound *value* of such loss or damaged goods shall bear to the sound *value* of all of the property at risk." (79).

69. CO-INSURANCE CLAUSE.

Insurance to value.

1. "It is understood and agreed that, in case of loss or damage by fire, this policy shall be liable only in the proportion that the *amount* hereby *insured* bears to the whole *value* of the property under insurance."

2. "If the *value* of the property shall be greater than the amount of *insurance* under this policy thereon, the insured shall be held as a co-insurer for such excess, and losses shall be apportioned accordingly" (or "and in that capacity shall bear his proportionate share of any loss)." (79.137.).

70. EIGHTY PER CENT. COINSURANCE CLAUSE.

It is a part of the consideration of this policy and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on the property hereby insured by this policy to the extent of four-fifths of the actual *cash value* thereof, and that failing so to do the assured shall be a *co-insurer* to the extent of such deficit, and in the event shall bear his, her on their pro-rata proportion of any loss. It is, however, mutually understood and agreed that in case the total insurance shall exceed four-fifths of the whole actual cash value of the

property risk under this policy, the assured shall recover from this company not more than its pro-rata share of four-fifths of the whole actual cash value of such property at the time of any loss. (497).

71. EIGHTY PER CENT. GRADED CO-INSURANCE CLAUSE.

Clause 1 : Charge basis rate. Say \$1.00.

It is a part of the consideration for this policy, and the basis upon which the rate of premium is fixed, that the assured shall maintain insurance on the property described by this policy, to the extent of at least eighty (80) per cent. of the actual cash value thereof, and that failing so to do, the assured shall be a co-insurer to the extent of such deficit, and to that extent shall bear his, her or their proportion of any loss :

Clause 2 : Reads same as clause 1, substituting 70 per cent. as the value of the property, and adding 10 per cent. to the basis rate, making it \$1.10.

Clause 3 : Reads same as clause 1, substituting 60 per cent. of value of the property at risk, and adding 20 per cent. to basis rate, making it \$1.20.

Clause 4 : Substitute 50 per cent. of value and add 40 per cent. to basis rate, making it \$1.40. (98).

THREE-QUARTER CLAUSES :

72. THREE-QUARTER-LOSS CLAUSE.

Southern form.—It is understood and agreed to be a condition of this insurance, that in case of any loss within the amount of the policy, this company will only be liable for three-fourths of such loss, not exceeding the sum insured ; the other one-fourth to be borne by the insured. And in case of any other insurance thereon, such liability shall be only the proportion that this insurance shall bear to the total amount of insurance thereon. (583).

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73. THREE-QUARTER-VALUE CLAUSE.

Compact form.—It is part of the consideration of this policy and the basis upon which the rate of premium is fixed, that in the event of loss, this company shall not be liable for an amount greater than three-fourths of the actual cash value of the property covered by this policy at the time of such loss, and in case of other insurance, whether policies are concurrent or not, then for only its pro-rata proportion of such three-fourths value.

Total insurance permitted is hereby limited to three-fourths of the cash value of the property hereby covered, and to be concurrent herewith.

74. REINSURANCE CLAUSE.

Subject to the same risks, valuations and conditions as the policy hereby insured, and loss, if any, payable pro-rata with the reinsured, and at the same time, and on the same conditions of payment as they pay. (574).

75. LOSS PAYABLE TO....., OR PAYEE CLAUSE.

The Insurance Company of hereby consents that any loss, under the conditions of this policy, after the same shall have been ascertained as therein provided for, and duly verified by the insured, shall be payable to..... for and on account of said assured.

The customary form of this clause is simply :—

“ Loss, if any, payable to ” This form, simple as it appears, is a great breeder of lawsuits, for the payee, usually regards his claim as superior to that of the insured, under any circumstances; while he is but an appointee to receive any money due the insured, and has no control of the policy except to hold it as a pledge. (384).

76. MORTGAGEE CLAUSE.

Chicago form, with Subrogation clause :

Loss, if any, payable to Mortgagee or Trustee, as hereinafter provided :

It being hereby understood and agreed, that this insurance, as to the interest of the Mortgagee or Trustee, only therein, shall not be invalidated by any act or neglect of the Mortgagor or owner of the property insured, nor by the occupation of the premises for purposes more hazardous than are permitted by the terms of this policy. *Provided*, that in case the Mortgagor or owner neglects or refuses to pay any premium due under this policy, then, on demand, the Mortgagee or Trustee shall pay the same. *Provided also*, that the Mortgagee or Trustee shall notify this Company of any change of ownership or increase of hazard which shall come to his, or their, knowledge, and shall have permission for such change of ownership or increase of hazard duly indorsed on this policy. And *provided further*, that every increase of hazard not permitted by the policy to the Mortgagor or owner shall be paid for by the Mortgagee or Trustee on reasonable demand, and after demand made by this Company upon, and refusal by the Mortgagor or owner to pay, according to the established schedule of rates. It is, however, understood that this Company reserves the right to cancel this policy, as stipulated in the printed conditions in said policy; and also to cancel this agreement on giving ten days' notice of their intention to the Trustee or Mortgagee named therein, and from and after the expiration of the said ten days (426) this agreement shall be null and void. It is further agreed, that in case of any other insurance upon the property hereby insured, then this Company shall not be liable under this policy for a greater portion of any loss sustained than the sum hereby insured bears to the whole amount of insurance on said property, issued to or held by any party or parties having an insurable interest therein. (626). It is also agreed, that whenever the Company shall pay the Mortgagee or Trustee any sum for loss under this policy, and shall claim that as to the Mortgagor or owner, no liability therefor existed, it shall at once and to the extent of such payment be legally subrogated to all the rights of the party to whom such payments shall be made, under any and all securities held by such party for the payment of said debt. But such subrogation shall be in subordination to the claim of said party for the balance of the debt so secured. Or said Company may, at its option, pay the said Mortgagee or Trustee the whole debt so secured, with all the interest which may have accrued thereon to the date of such payment, and shall thereupon receive from the party to whom such payment shall be made an assignment and

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transfer of said debt, with all securities held by said parties for the payment thereof. (421).

77. WOODWARD GAS CARBONIZER.

Privileged to use the Woodward Gas Carbonizer in accordance with the written stipulation entered into by the Woodward Carbonizing Company, with the New York Board of Fire Underwriters. (116).

78. NATURAL GAS PERMIT.

Privilege to use Natural Gas for fuel on the above described premises, the entire equipment being in full compliance with the standard of the Board of Underwriters of the City of....., and a certificate obtained from the secretary to that effect.

It being understood that no alterations shall be made in the equipment after the certificate is issued, without consent from said Board. (161).

79. IRON SAFE CLAUSE.

It is part of the consideration for this insurance, and it is expressly stipulated and required, that the assured above named shall take an inventory of the stock above described, at least once in each year, during the currency of this insurance ; and shall also keep Books of account showing all purchases and sales of the same ; and shall keep said inventory and books in an Iron safe or other place secure from fire, during the hours said store is closed for business. (335).

80. PROPORTION OF A JOINT RISK TAKEN BY THE OFFICE.

It is understood and agreed that the.....Insurance Company of covers, under this policy No..... of their agency at.....(to which this specification is attached and made a part thereof).....part of each

of the above named sums, amounting in the aggregate to.....dollars (\$.....). (Form 66).

81. REMOVAL OR TRANSFER CLAUSE.

This policy is hereby transferred to cover property named in this policy, removed from.....and now located at.....The risk to cease at the former location, and to attach in the last named locality from and after this.....day of....., at 12 o'clock noon.

82. OTHER INSURANCE CLAUSE.

Other insurance (concurrent herewith) permitted without notice till required; not to exceed in all, three-fourths of the cash value of the property at risk. (449).

83. ANOTHER FORM.

Total insurance, concurrent herewith, permitted to the amount of \$.....including this policy. (449).

84. OTHER INSURANCE OBLIGATORY.

The insured agrees to keep at all times, not less than \$.....insurance upon the property hereby covered, concurrent herewith, or to stand as co-insurer for any deficiency in the amount of such insurance. (Or insert the following): In the event of loss under this policy, the adjustment thereof shall be made upon the basis of \$.....total insurance, whether such insurance exist at the time of loss or not. (449).

85. CONTINUOUS INSURANCE.

It is understood and agreed that this insurance shall be held to be renewed at each expiration thereof, unless otherwise ordered by the insured, or until by neglect of the insured to pay all accruing premiums after due notice, when it shall, at the option of the company, after due notice to the insured, be held to have terminated. (517)

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86. INSURED'S WARRANTY.

As per insured's application and survey of current number and date herewith, which is his warranty and a part of this policy. (47).

87. MECHANICS' PRIVILEGE.

Permission given for carpenters, and other mechanics, to be employed in and about the premises to make the necessary repairs and alterations for the purpose of keeping the premises in good order only. The assured to pay at customary rates for all time exceeding fifteen consecutive days during the year. (411).

PERMITS.

88. EXTRA HOURS.

1. Permission to run machinery extra hours, until..... o'clock, p.m. All lines of shafting not in use shall be disconnected during such extra time. (227).

2. In consideration of.....dollars additional premium, consent is hereby given to run the factory all night, with double sets of hands, for the period of.....months. Warranted that a watchman shall visit all rooms in which the machinery is cut off, while the machinery is in operation in the other rooms. (227).

89. ELECTRIC LIGHT PERMIT.

The.....Electric Light Company of.....having duly certified that the electric apparatus has been properly put up in the building covered (or containing the property covered) by this policy, and that the same will be by them maintained in good condition, as specified in said certificate, permission is hereby granted for the use of.....incandescent (or arc) electric lights in said store; it being especially warranted by the insured that all electrical currents shall be cut out from all lamps in any room, and on the outside of the building, at all times when no watchman is on duty on the premises. (205).

90. CLEAR SPACE CLAUSE.

Lumber Clause.—Warranted by the assured that a continuous clear space of.....feet shall at all times, during the life of this policy, be maintained between the property hereby covered and any wood working establishment; and that said space shall not be used for handling or piling of lumber thereon for temporary purposes; tramways upon which lumber is not piled, alone excepted; but this shall not be construed to prohibit loading or unloading within, or the transportation of log products across, such clear space.

It is especially understood and—by the acceptance of this policy—agreed to by the assured, that any violation of this warranty shall *at once* render this policy null and void.

91. LIGHTNING CLAUSE.

With Contribution Clause.—It is understood and agreed that this policy shall cover loss or damage by *lightning* to the property hereby covered, whether fire ensues or not, subject in all other respects to the terms and conditions of this policy, and not exceeding the sum insured, nor the interest of the assured in said property. Provided however, that if there is other insurance upon the property damaged, this Company shall be liable for only such proportion of the loss or damage as the amount hereby insured bears to the whole amount insured thereon, whether such other insurance covers against loss by lightning or not. (370).

92. KEROSENE CLAUSES.

Privileged to keep for sale not exceeding.....barrels of kerosene oil, of not less than United States standard of 110. To be handled without the use of artificial light within fifteen (15) feet. Empty kerosene barrels or cans to be promptly removed from the premises. (347).

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2. Permission to use kerosene oil for lights, of not less than United States standard, 110. Lamps to be filled and trimmed by daylight only. (347).

94.

GASOLINE STOVES.

In consideration of \$..... extra premium, permission is hereby given for the use of.....gasoline stove—from188— to.....188—, subject to the following conditions and warranty, viz:— The reservoir to be filled by daylight only, and when the stove is not in use. Warranted by the insured that no artificial light shall be permitted in the room where the reservoir is being filled ; and that no gasoline, except that contained in said reservoir, shall be kept within the building covered by this policy. And not more than five gallons of gasoline, in a tight and securely closed metallic can, free from leak, shall be kept on premises adjacent thereto. (264).

95.

GASOLINE GAS.

Permission granted to light the premises with gasoline-gas,—the generator to be located outside, and not less thanfeet from the building, and built of brick, and not less than three feet under ground ; the machine to be furnished with self-acting valve to prevent the flow of gasoline from the generator to the blower, and that no gasoline shall be kept upon the premises hereby covered. (262).

96.

GASOLINE PERMIT.

Permitted to use gasoline (or benzine) for soldering ; the benzine to be kept in iron tanks located outside of the building (262).

It is a condition of this Policy that one day's supply of benzine or naphtha, not exceeding two quarts in quantity, may be kept on the premises covered by this insurance.

198 *Indorsements; Clauses; Permits.*

97. NAPHTHA VARNISH.

Permission to use naphtha in the preparation of resin varnish; the naphtha to be brought into the building in small quantities, not exceeding.....quarts, for daily use. (262).

98. BENZINE PAINT.

Privilege to use benzine paints for painting wares, the benzine to be pumped from an adjoining yard to the mixer through iron pipes for immediate use. Benzine for cleaning purposes shall not be kept upon the premises at any time in quantities in excess of.....quarts. (262).

99. BENZINE CEMENT.

Privilege to use "Washburne's Non-Explosive Cement," for coating fabrics.

100. LUBRICATING OILS.

Privileged to keep on hand not to exceed..... barrel—of.....oil for lubricating purposes.

101. KEROSENE PERMIT.

Privilege to use kerosene oil for light, and elain, lard, paraffin and sperm oil for lubricating purposes. (347).

102. OILY WASTE.

It is understood and agreed that no oily waste or sweepings shall be allowed to remain over night on the said premises, unless stored in a metal barrel with close metal cover, said barrel to stand on brick or tin covered floor. (619).

TABLE

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APPENDIX.

INDEX.

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NOTE.—The rates per annum, from 25 cents to 500 cents (or 5 per cent.) are shown in the upper row of figures; and the rows below indicate the tariff in cents from two days to eleven months, under each rate. Find the time by the TIME TABLE, (Appendix.)

Expired Time.	Unearned Premiums.				
	One Year.	Two Years.	Three Years.	Four Years.	Five Years.
1 month.	80.00	87.00	90.00	91.67	92.50
2 "	70.00	80.00	83.33	83.33	88.50
3 "	60.00	75.00	80.00	84.00	84.50
4 "	50.00	70.00	76.67	80.00	82.00
5 "	40.00	65.00	73.33	77.50	80.00
6 "	30.00	60.00	70.00	75.00	78.00
7 "	25.00	55.00	66.67	72.50	76.00
8 "	20.00	50.00	63.33	70.00	74.00
9 "	15.00	45.00	60.00	67.50	72.00
10 "	10.00	40.00	56.67	65.00	70.00
11 "	5.00	35.00	53.33	62.50	68.00
12 "	30.00	50.00	60.00	66.00
13 "	27.50	46.67	57.50	64.00
14 "	25.00	43.33	55.00	62.00
15 "	22.50	40.00	52.50	60.00
16 "	20.00	36.67	50.00	58.00
17 "	17.50	33.33	47.50	56.00
18 "	15.00	30.00	45.00	54.00
19 "	12.50	26.67	42.50	52.00
20 "	10.00	23.33	40.00	50.00
21 "	7.50	20.00	37.50	48.00
22 "	5.00	16.67	35.00	46.00
23 "	2.50	13.33	32.50	44.00
24 "	10.00	30.00	42.00
25 "	7.50	27.50	40.00
26 "	5.00	25.00	38.00
27 "	2.50	22.50	36.00
28 "	20.00	34.00
29 "	17.50	32.00
30 "	15.00	30.00
31 "	12.50	28.00
32 "	10.00	27.00
33 "	7.50	26.00
34 "	5.00	25.00
35 "	2.50	24.00
36 "	23.00
37 "	22.00
38 "	21.00
39 "	20.00
40 "	19.00
41 "	18.00
42 "	17.00
43 "	16.00
44 "	15.00
45 "	14.00
46 "	13.00
47 "	12.00
48 "	11.00
49 "	10.00
50 "	9.00
51 "	8.00
52 "	7.00
53 "	6.00
54 "	5.00
55 "	4.00
56 "	3.00
57 "	2.00
58 "	1.00
59 "
60 "

METHOD OF USING THE TABLE.

MULTIPLY the amount of premium for the term by the figures opposite the number of months expired, the result will be the amount of premium to be returned. A month entered upon is a month earned.

Example: A policy of \$5,000 for three years, premium \$150, is to be cancelled at the expiration of 10 months; per cent. unearned is 56.67, multiplied by the premium 150, gives \$85.00 as the **Unearned** premium.

If the **Earned** premium be desired, deduct the unearned from the total premium, the remainder will be the earned premium.

To ascertain the time, expired or unexpired, consult the **TIME TABLES**. (Appendix.)

TABLE OF SHORT RATES.
For Periods of One, Two, Three, Four and Five Years, by Month.
UNEARNED PREMIUMS.

**PRO RATA CANCELLATION TABLE
OF CONSTANT MULTIPLIERS.**

FOR COMPUTING EARNED AND UNEARNED PREMIUMS.

**Casting Interest and Generally to Compute Current
BUSINESS FOR BROKEN PERIODS OF TIME.**

365 Days to the Year.

Days	Multiply by	Days	Multiply by	Days	Multiply by	Days	Multiply by
1	.... .274	51	....13.973	101	....27.671	151	....41.370
2	.... .548	52	....14.247	102	....27.945	152	....41.644
3	.... .822	53	....14.521	103	....28.219	153	....41.918
4	.... 1.096	54	....14.795	104	....28.493	154	....42.192
5	.... 1.370	55	....15.069	105	....28.767	155	....42.466
6	.... 1.644	56	....15.342	106	....29.041	156	....42.740
7	.... 1.918	57	....15.616	107	....29.315	157	....43.014
8	.... 2.192	58	....15.890	108	....29.589	158	....43.288
9	.... 2.466	59	....16.164	109	....29.863	159	....43.562
10	.... 2.740	60	....16.438	110	....30.137	160	....43.836
11	.... 3.014	61	....16.712	111	....30.411	161	....44.110
12	.... 3.288	62	....16.986	112	....30.685	162	....44.384
13	.... 3.562	63	....17.260	113	....30.959	163	....44.658
14	.... 3.836	64	....17.534	114	....31.233	164	....44.932
15	.... 4.110	65	....17.808	115	....31.507	165	....45.206
16	.... 4.384	66	....18.082	116	....31.781	166	....45.479
17	.... 4.658	67	....18.356	117	....32.055	167	....45.753
18	.... 4.932	68	....18.630	118	....32.329	168	....46.027
19	.... 5.206	69	....18.904	119	....32.603	169	....46.301
20	.... 5.479	70	....19.178	120	....32.877	170	....46.575
21	.... 5.753	71	....19.452	121	....33.151	171	....46.849
22	.... 6.027	72	....19.726	122	....33.425	172	....47.123
23	.... 6.301	73	....20.000	123	....33.699	173	....47.397
24	.... 6.575	74	....20.274	124	....33.973	174	....47.671
25	.... 6.849	75	....20.548	125	....34.247	175	....47.945
26	.... 7.123	76	....20.822	126	....34.521	176	....48.219
27	.... 7.397	77	....21.096	127	....34.795	177	....48.493
28	.... 7.671	78	....21.370	128	....35.069	178	....48.767
29	.... 7.945	79	....21.644	129	....35.342	179	....49.041
30	.... 8.219	80	....21.918	130	....35.616	180	....49.315
31	.... 8.493	81	....22.192	131	....35.890	181	....49.589
32	.... 8.767	82	....22.466	132	....36.164	182	....49.863
33	.... 9.041	83	....22.740	133	....36.438	183	....50.137
34	.... 9.315	84	....23.014	134	....36.712	184	....50.411
35	.... 9.589	85	....23.288	135	....36.986	185	....50.685
36	.... 9.863	86	....23.562	136	....37.260	186	....50.959
37	.... 10.137	87	....23.836	137	....37.534	187	....51.233
38	.... 10.411	88	....24.110	138	....37.808	188	....51.507
39	.... 10.685	89	....24.384	139	....38.082	189	....51.781
40	.... 10.959	90	....24.658	140	....38.356	190	....52.055
41	.... 11.233	91	....24.932	141	....38.630	191	....52.329
42	.... 11.507	92	....25.205	142	....38.904	192	....52.603
43	.... 11.781	93	....25.479	143	....39.178	193	....52.877
44	.... 12.055	94	....25.753	144	....39.452	194	....53.151
45	.... 12.329	95	....26.027	145	....39.726	195	....53.425
46	.... 12.603	96	....26.301	146	....40.000	196	....53.699
47	.... 12.877	97	....26.575	147	....40.274	197	....53.973
48	.... 13.151	98	....26.849	148	....40.548	198	....54.247
49 13.425	9927.123	14940.822	19954.521
50 13.699	10027.397	15041.096	20054.795

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**PRO RATA CANCELLATION TABLE
OF CONSTANT MULTIPLIERS,
COMPUTING EARNED AND UNEARNED PREMIUMS.**

**Casting Interest and Generally to Compute Current
BUSINESS FOR BROKEN PERIODS OF TIME.
365 Days to the Year.**

Days	Multiply by	Days	Multiply by	Days	Multiply by	Days	Multiply by
201	.. 55.069	251	....68.767	301	...82.466	351	...96.164
202	....55.342	252	...69.041	302	...82.740	352	...96.438
203	....55.616	253	....69.315	303	....83.014	353	....96.712
204	....55.890	254	....69.589	304	....83.288	354	....96.986
205	....56.164	255	....69.863	305	....83.562	355	....97.260
206	....56.438	256	....70.137	306	....83.836	356	....97.534
207	....56.712	257	....70.411	307	....84.110	357	....97.808
208	....56.986	258	....70.685	308	....84.384	358	....98.082
209	....57.260	259	....70.959	309	....84.658	359	....98.356
210	....57.534	260	....71.233	310	....84.932	360	....98.630
211	....57.808	261	....71.507	311	....85.206	361	....98.904
212	....58.082	262	....71.781	312	....85.479	362	....99.178
213	....58.356	263	....72.055	313	....85.753	363	....99.452
214	....58.630	264	....72.329	314	....86.027	364	....99.726
215	....58.904	265	....72.603	315	....86.301	365	...100.000
216	....59.178	266	....72.877	316	....86.575		
217	....59.452	267	....73.151	317	....86.849		
218	....59.726	268	....73.425	318	....87.123		
219	....60.000	269	....73.699	319	....87.397		
220	....60.274	270	....73.973	320	....87.671		
221	....60.548	271	....74.247	321	....87.945		
222	....60.822	272	....74.521	322	....88.219		
223	....61.096	273	....74.795	323	....88.493		
224	....61.370	274	....75.069	324	....88.767		
225	....61.644	275	....75.342	325	....89.041		
226	....61.918	276	....75.616	326	....89.315		
227	....62.192	277	....75.890	327	....89.589		
228	....62.466	278	....76.164	328	....89.863		
229	....62.740	279	....76.438	329	....90.137		
230	....63.014	280	....76.712	330	....90.411		
231	....63.288	281	....76.986	331	....90.685		
232	....63.562	282	....77.260	332	....90.959		
233	....63.836	283	....77.534	333	....91.233		
234	....64.110	284	....77.808	334	....91.507		
235	....64.384	285	....78.082	335	....91.781		
236	....64.658	286	....78.356	336	....92.055		
237	....64.932	287	....78.630	337	....92.329		
238	....65.206	288	....78.904	338	....92.603		
239	....65.479	289	....79.178	339	....92.877		
240	....65.753	290	....79.452	340	....93.151		
241	....66.027	291	....79.726	341	....93.425		
242	....66.301	292	....80.000	342	....93.699		
243	....66.575	293	....80.274	343	....93.973		
244	....66.849	294	....80.548	344	....94.247		
245	....67.123	295	....80.822	345	....94.521		
246	....67.397	296	....81.096	346	....94.795		
247	....67.671	297	....81.370	347	....95.069		
248	....67.945	298	....81.644	348	....95.342		
249	....68.219	299	....81.918	349	....95.616		
250	....68.493	300	....82.192	350	....95.890		

Fractions of a Day.

Day	Multipier
1-5	....055
1-4	....069
1-3	....091
1-2	....137

Work same as whole days.

Number of Days in Year in excess of Five.

Years.	Days.
6	....2190
7	....2555
8	....2920
9	....3285
10	....3650
11	....4015
12	....4380
13	....4745
14	....5110
15	....5475
16	....5840
17	....6205
18	....6570
19	....6935
20	....7300

Multiply by
41.370
41.644
41.918
42.192
42.466
42.740
43.014
43.288
43.562
43.836
44.110
44.384
44.658
44.932
45.205
45.479
45.753
46.027
46.301
46.575
46.849
47.123
47.397
47.671
47.945
48.219
48.493
48.767
49.041
49.315
49.589
49.863
50.137
50.411
50.685
50.959
51.233
51.507
51.781
52.055
52.329
52.603
52.877
53.151
53.425
53.699
53.973
54.247
54.521
54.795

TIME-TABLES, SHOWING THE NUMBER OF DAYS INTERVENING BETWEEN ANY TWO GIVEN DATES, FOR ANY PERIOD OF TIME, FROM ONE DAY TO FIVE YEARS.

1st Month. JANUARY. 31 Days.										2nd Month. FEBRUARY. 28 days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
Feb.	1	31	13	396	25	761	37	1126	49	1491	Mar.	1	28	13	393	25	758	37	1123	49	1488
Mar.	2	59	14	424	26	789	38	1154	50	1519	Apr.	2	59	14	424	26	789	38	1154	50	1519
Apr.	3	90	15	455	27	820	39	1185	51	1550	May.	3	89	15	454	27	819	39	1184	51	1549
May.	4	120	16	485	28	850	40	1215	52	1580	June.	4	120	16	485	28	850	40	1215	52	1580
June.	5	151	17	516	29	881	41	1246	53	1611	July.	5	150	17	515	29	880	41	1245	53	1610
July.	6	181	18	546	30	911	42	1276	54	1641	Aug.	6	181	18	546	30	911	42	1276	54	1641
Aug.	7	212	19	577	31	942	43	1307	55	1672	Sept.	7	212	19	577	31	942	43	1307	55	1672
Sept.	8	243	20	608	32	973	44	1338	56	1703	Oct.	8	242	20	607	32	972	44	1337	56	1702
Oct.	9	273	21	638	33	1003	45	1368	57	1733	Nov.	9	273	21	638	33	1003	45	1368	57	1733
Nov.	10	304	22	669	34	1034	46	1399	58	1764	Dec.	10	303	22	668	34	1033	46	1398	58	1763
Dec.	11	334	23	699	35	1064	47	1429	59	1794	Jan.	11	334	23	699	35	1064	47	1429	59	1794
Jan.	12	365	24	730	36	1095	48	1460	60	1825	Feb.	12	365	24	730	36	1095	48	1460	60	1825

3rd Month. MARCH. 31 Days.										4th Month. APRIL. 30 Days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
Apr.	1	31	13	396	25	761	37	1126	49	1491	May.	1	30	13	395	25	760	37	1125	49	1490
May.	2	61	14	426	26	791	38	1156	50	1521	June.	2	61	14	426	26	791	38	1156	50	1521
June.	3	92	15	457	27	822	39	1187	51	1552	July.	3	91	15	456	27	821	39	1186	51	1551
July.	4	122	16	487	28	852	40	1217	52	1582	Aug.	4	122	16	487	28	852	40	1217	52	1582
Aug.	5	153	17	518	29	883	41	1248	53	1613	Sept.	5	153	17	518	29	883	41	1248	53	1613
Sept.	6	184	18	549	30	914	42	1279	54	1644	Oct.	6	183	18	548	30	913	42	1278	54	1643
Oct.	7	214	19	579	31	944	43	1309	55	1674	Nov.	7	214	19	579	31	944	43	1309	55	1674
Nov.	8	245	20	610	32	975	44	1340	56	1705	Dec.	8	244	20	609	32	974	44	1339	56	1704
Dec.	9	275	21	640	33	1005	45	1370	57	1735	Jan.	9	275	21	640	33	1005	45	1370	57	1735
Jan.	10	306	22	671	34	1036	46	1401	58	1766	Feb.	10	306	22	671	34	1036	46	1401	58	1766
Feb.	11	337	23	702	35	1067	47	1432	59	1797	Mar.	11	334	23	699	35	1064	47	1429	59	1794
Mar.	12	365	24	730	36	1095	48	1460	60	1825	Apr.	12	365	24	730	36	1095	48	1460	60	1825

TIME TABLES—(Continued.)

Oct.	7	214	19	549	30	914	42	1279	54	1644	Oct.	7	214	19	549	30	914	42	1279	54	1644
Nov.	8	245	20	610	32	975	44	1340	56	1705	Nov.	8	245	20	610	32	975	44	1340	56	1705
Dec.	9	275	21	640	33	1005	45	1370	57	1735	Dec.	9	275	21	640	33	1005	45	1370	57	1735
Jan.	10	306	22	671	34	1036	46	1401	58	1766	Jan.	10	306	22	671	34	1036	46	1401	58	1766
Feb.	11	337	23	702	35	1067	47	1432	59	1797	Feb.	11	337	23	702	35	1067	47	1432	59	1797
Mar.	12	365	24	730	36	1095	48	1460	60	1825	Mar.	12	365	24	730	36	1095	48	1460	60	1825

TIME TABLES—(Continued.)

5th Month. MAY. 31 Days.										6th Month. JUNE. 30 Days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
June.	1	31	13	396	25	761	37	1126	49	1491	July.	1	30	13	395	25	760	37	1125	49	1490
July.	2	61	14	426	26	791	38	1156	50	1521	Aug.	2	61	14	426	26	791	38	1156	50	1521
Aug.	3	92	15	457	27	822	39	1187	51	1552	Sept.	3	92	15	457	27	822	39	1187	51	1552
Sept.	4	123	16	488	28	853	40	1218	52	1583	Oct.	4	123	16	487	28	852	40	1217	52	1582
Oct.	5	153	17	518	29	883	41	1248	53	1613	Nov.	5	153	17	518	29	883	41	1248	53	1613
Nov.	6	184	18	549	30	914	42	1279	54	1644	Dec.	6	183	18	548	30	913	42	1278	54	1643
Dec.	7	214	19	579	31	944	43	1309	55	1674	Jan.	7	214	19	579	31	944	43	1309	55	1674
Jan.	8	245	20	610	32	975	44	1340	56	1705	Feb.	8	245	20	610	32	975	44	1340	56	1705
Feb.	9	276	21	641	33	1006	45	1371	57	1736	Mar.	9	273	21	638	33	1003	45	1368	57	1733
Mar.	10	304	22	669	34	1034	46	1399	58	1764	Apl.	10	304	22	669	34	1034	46	1399	58	1764
Apl.	11	335	23	700	35	1065	47	1430	59	1795	May.	11	334	23	699	35	1064	47	1429	59	1794
May.	12	365	24	730	36	1095	48	1460	60	1825	June.	12	365	24	730	36	1095	48	1460	60	1825

7th Month. JULY. 31 Days.										8th Month. AUGUST. 31 Days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
Aug.	1	31	13	396	25	761	37	1126	49	1491	Sept.	1	31	13	396	25	761	37	1126	49	1491
Sept.	2	62	14	427	26	792	38	1157	50	1522	Oct.	2	61	14	426	26	791	38	1156	50	1521
Oct.	3	92	15	457	27	822	39	1187	51	1552	Nov.	3	92	15	457	27	822	39	1187	51	1552
Nov.	4	123	16	488	28	853	40	1218	52	1583	Dec.	4	122	16	487	28	852	40	1217	52	1582
Dec.	5	153	17	518	29	883	41	1248	53	1613	Jan.	5	153	17	518	29	883	41	1248	53	1613
Jan.	6	184	18	549	30	914	42	1279	54	1644	Feb.	6	184	18	549	30	914	42	1279	54	1644
Feb.	7	215	19	580	31	945	43	1310	55	1675	Mar.	7	212	19	577	31	942	43	1307	55	1672
Mar.	8	243	20	608	32	973	44	1338	56	1703	Apl.	8	243	20	608	32	973	44	1338	56	1703
Apl.	9	274	21	639	33	1004	45	1369	57	1734	May.	9	273	21	638	33	1003	45	1368	57	1733
May.	10	304	22	669	34	1034	46	1399	58	1764	June.	10	304	22	669	34	1034	46	1399	58	1764
June.	11	335	23	700	35	1065	47	1430	59	1795	July.	11	334	23	699	35	1064	47	1429	59	1794
July.	12	365	24	730	36	1095	48	1460	60	1825	Aug.	12	365	24	730	36	1095	48	1460	60	1825

Appendix.

TIME TABLE—(Continued.)

9th Month. SEPTEMBER. 30 Days.										10th Month. OCTOBER. 31 Days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
Oct.	1	30	13	395	25	760	37	1125	49	1490	Nov.	1	31	13	396	25	761	37	1126	49	1491
Nov.	2	61	14	426	26	791	38	1156	50	1521	Dec.	2	61	14	426	26	791	38	1156	50	1521
Dec.	3	91	15	456	27	821	39	1186	51	1551	Jan.	3	92	15	457	27	822	39	1187	51	1552
Jan.	4	122	16	487	28	852	40	1217	52	1582	Feb.	4	123	16	488	28	853	40	1218	52	1583
Feb.	5	153	17	518	29	883	41	1248	53	1613	Mar.	5	151	17	516	29	881	41	1246	53	1611
Mar.	6	181	18	546	30	911	42	1276	54	1641	Apl.	6	182	18	547	30	912	42	1277	54	1642
Apl.	7	212	19	577	31	942	43	1307	55	1672	May.	7	212	19	577	31	942	43	1307	55	1672
May.	8	242	20	607	32	972	44	1337	56	1702	June.	8	243	20	608	32	973	44	1338	56	1703
June.	9	273	21	638	33	1003	45	1368	57	1733	July.	9	273	21	638	33	1003	45	1368	57	1733
July.	10	303	22	668	34	1033	46	1398	58	1763	Aug.	10	304	22	669	34	1034	46	1399	58	1764
Aug.	11	334	23	699	35	1064	47	1429	59	1794	Sept.	11	335	23	700	35	1065	47	1430	59	1795
Sept.	12	365	24	730	36	1095	48	1460	60	1825	Oct.	12	365	24	730	36	1095	48	1460	60	1825

11th Month. NOVEMBER. 30 Days.										12th Month. DECEMBER. 31 Days.											
Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.		Months.	1 Year.		2 Years.		3 Years.		4 Years.		5 Years.	
	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.		Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.	Mo.	Days.
Dec.	1	30	13	395	25	760	37	1125	49	1490	Jan.	1	31	13	396	25	761	37	1126	49	1491
Jan.	2	61	14	426	26	791	38	1156	50	1521	Feb.	2	61	14	427	26	792	38	1157	50	1522
Feb.	3	92	15	457	27	822	39	1187	51	1552	Mar.	3	90	15	455	27	820	39	1185	51	1550
Mar.	4	120	16	485	28	850	40	1215	52	1580	Apl.	4	121	16	486	28	851	40	1216	52	1581
Apl.	5	151	17	516	29	881	41	1246	53	1611	May.	5	151	17	516	29	881	41	1246	53	1611
May.	6	181	18	546	30	911	42	1276	54	1641	June.	6	182	18	547	30	912	42	1277	54	1642
June.	7	212	19	577	31	942	43	1307	55	1672	July.	7	212	19	577	31	942	43	1307	55	1672
July.	8	242	20	607	32	972	44	1337	56	1702	Aug.	8	243	20	608	32	973	44	1338	56	1703
Aug.	9	273	21	638	33	1003	45	1368	57	1733	Sept.	9	274	21	639	33	1004	45	1369	57	1734
Sept.	10	304	22	669	34	1034	46	1399	58	1764	Oct.	10	304	22	669	34	1034	46	1399	58	1764
Oct.	11	334	23	699	35	1064	47	1429	59	1794	Nov.	11	335	23	700	35	1065	47	1430	59	1795
Nov.	12	365	24	730	36	1095	48	1460	60	1825	Dec.	12	365	24	730	36	1095	48	1460	60	1825

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1703	56
1734	57
1764	58
1795	59
1825	60
1338	44
1369	45
1399	46
1430	47
1460	48
973	32
1004	33
1034	34
1065	35
1095	36
639	21
669	22
700	23
730	24
274	9
304	10
335	11
365	12
1733	Sept.
1764	Oct.
1794	Nov.
1825	Dec.
1368	45
1399	46
1429	47
1460	48
1003	33
1034	34
1064	35
1095	36
669	22
699	23
730	24
304	10
334	11
365	12
10	Sept.
11	Oct.
12	Nov.

TABLE OF CONSTANT MULTIPLIERS.

How to use them.

PRO-RATA CANCELLATIONS.

(Earned premiums prove unearned, and vice-versa.)

YEARLY POLICIES:—Find the number of days, expired or unexpired as needed, by the Time Tables; opposite to this number in this table will be found the appropriate "Multiplier," which multiplied by the amount of the annual premium will give the result sought.

EXAMPLES.

1. A yearly policy, premium \$20, is to be cancelled after 200 days: What will be the *earned* premium?

Solution: Multiplier for 200 days is $54,795 \times 20 = \$10.95.9$
Proof: Unexpired days 165, multiplier $45,205 \times 20 = 9.04.1$

Total 365 days..... \$20.00

2. Office A has a policy, \$5,000 date Jan. 1st, premium \$75, annual. On Jan. 26th, subsequent, one-half, \$2,500, was reinsured in office B, both insurances to expire concurrently: What will be the pro-rata proportion of premium to be paid to office B, upon its one half premium, \$37.50?

Solution: $365 - 25 = 340$ days multiplier $93,151 \times 37.50 = \$34.93$
Proof: Expired time 25 days, multiplier, $6,849 \times 37.50 = 2.57$

Total 365 days..... \$37.50

LONG TERM INSURANCE:—Reduce all term policies to annual terms, for which there are several processes:

Process 1.—Find the number of days needed, divide these days by the number of years covered by the policy; compute as an annual policy for that number of days, at the premium for the full term, thus:—

A policy dated Nov. 23rd, 1885, for three years: term premium \$21.90: to be cancelled pro-rata June 1st, 1887. What will be the earned premium?

Solution: From Nov. 23rd, 1885, to June 1st, 1887, are 555 days, which divided by 3, the number of years, will give 185 days as the annual figure, for which the multiplier is

$$50,685 \times 21.90 = \$ 11.10$$

Proof: 180 days remaining, multiplier is $49,315 \times 21.90 = 10.80$

$$\text{Total} \dots \dots \dots \$21.90$$

Process 2.—Divide the term premium by the number of days in the term; multiply the result by the expired days for earned premium, or unexpired days for unearned premium.

Using the last example we have as follows:—

$$\text{Days in 3 years—} 1095 \div 21.90 = 2 \times 555 = \$11.10.$$

Proof, as above.

Process 3.—Where more than a single year remains unexpired, estimate the expired, or unexpired, days of the part of the year only, by the annual process above, and add thereto the yearly premium—that is the term premium divided by the number of years—for the one or more unexpired years, the result will be premium sought.

A policy for five years, premium \$250—or \$50 yearly—is to be cancelled after running two years and 39 days. What would be the return premium thereon?

Solution: Multiplier for 39 days, $10,685 \times 50.00 =$ \$5.34

Plus earned premium, two years 100.00

$$\text{Total earned premium} \dots \dots \dots \$105.34$$

Proof: Unexpired time 2 years and 326 days.

Multiplier 326 days $89,315 \times 50.00 =$ \$44.66

Plus 2 years' unearned premium 100.00 144.66

$$\text{Total premium} \dots \dots \dots \$250.00$$

SHORT TERM INSURANCE:—When aliquot portions of a year.

Process:—Find number of days expired; multiply these by the aliquot portion of the year for which the policy was written; compute this result as an *annual* policy for that number of *days* at the *full term* premium.

A policy for 3 months, premium \$6.00, cancelled with 60 days yet to run; what will be the unearned premium?

Solution: Three months equal 91.25 days, less 60 days unexpired equals 31.25 days expired; then $31.25 \times 4 = 125$ days, *annual* multiplier $54.247 \times 6.00 = \$2.05$ earned, deducted from 6.00 leaves unearned \$3.95.

Proof: 60 days unexpired $\times 4 = 240$ days, $65,753 \times 600 = \$3.95$.

COMPUTATION OF INTEREST.

Legal interest is computed at 365 days to the year.

Bank interest is computed at 360 days to the year.

To find the *legal* interest on any given sum, at any rate per cent., for any number of days, multiply the principal by the rate per cent., which will give the *annual* interest; then find the number of days to run, and multiply by the multiplier for that number of days, this will produce the interest sought.

What will be the interest on \$1000 at $5\frac{1}{2}$ per cent. for 73 days?

Solution: $1000 \times 5\frac{1}{2} = \$55 \times 20,000$ (figure for 73 days) = \$11 00

Proof: Remaining 292 days, multiplier $80,000 \times 55 = 44.00$

Total interest..... \$55.00

Salaries, Rents, or any other computation having an *annual* value, can be solved by this table.

A clerk with salary of \$500 yearly, leaves after working 96 days. What will be due him?

Solution: 96 days, multiplier $26,301 \times 500 = \$131.50$

HOW TO USE THE TIME TABLES.

This formula embraces tables of the TWELVE CALENDAR MONTHS, each complete in itself, for any period within *five* years.

In computations of time *from* one day *to* another, the day *from* which the estimate is to be made is always excluded; thus, *from* January 1st *to* January 21st are but 20 days.

To ascertain the number of days or months between any two given dates, out of the twelve tables, select that of the initial month in which the time begins to run; in the left-hand column find the terminal month during which the time ceases to run; in the angle of the column of years,—1, 2, 3, 4, or 5, as the case may be,—will be found the number of months and of days intervening, plus or minus the difference between the days of commencement or termination in the respective months,—thus, *from* January 1st *to* May 21st, will be 120 plus 20 = 140 days, while *from* January 21st *to* May 1st, will be 120 days less 20, or 100 days. Should leap-year intervene in computations by days, add one day. In computations by months, no account is taken of the extra day in leap years.

Example:—Using the January Table, we find as follows:—

From January to August,	1 year,	are 7 months,	or 212 days.
“	“	2 years, 19	“ 577 “
“	“	3 “ 31	“ 942 “

And so on, for any number of years, each plus or minus the extra number of days in January or August, or vice-versa.

